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## TITLE 7—AGRICULTURE

### Chapter VIII—Production and Marketing Administration (Sugar Branch)

PART 802—SUGAR DETERMINATIONS

DETERMINATION OF FAIR AND REASONABLE WAGE RATES FOR PERSONS EMPLOYED IN PRODUCTION, CULTIVATION, OR HARVESTING OF SUGARCANE IN VIRGIN ISLANDS DURING CALENDAR YEAR 1947

Pursuant to the provisions of section 301 (b) of the Sugar Act of 1937, as amended, and after investigation and due consideration of the evidence obtained at the hearing held in Christiansted, Virgin Islands, on October 18, 1946, the following determination is hereby issued:

§ 802.51e *Fair and reasonable wage rates for persons employed in the production, cultivation, or harvesting of sugarcane in the Virgin Islands during the calendar year 1947.* The requirements of section 301 (b) of the Sugar Act of 1937, as amended, shall be deemed to have been met with respect to the production, cultivation, or harvesting of sugarcane in the Virgin Islands during the calendar year 1947, if all persons employed on the farm during that period in the production, cultivation, or harvesting of sugarcane shall have been paid in full for all such work and shall have been paid in cash therefor at rates not less than the following:

(a) *Basic time rates.* Per day of 8 hours $2.00. For a working day longer or shorter than 8 hours the rate shall be in proportion. For an individual whose productive capacity is impaired by age or physical or mental deficiency the wage rate shall be as agreed upon between the producer and the laborer, provided such rate is approved by the local supervisor of the Field Service Branch of the Production and Marketing Administration.

(b) *Wage bonus payment.* For each 25 cents that the New York price of raw sugar (duty paid, delivered basis), which is used as the basis for sale of the 1947 sugar crop, averages more than $5.94 per hundredweight, a bonus of 6 cents shall be paid for each day of work during the period covered by this determination.

(c) *Piece rates.* If work is performed on a piece rate basis, the average earnings for the time involved on each separate unit of work for which a piece rate is agreed upon shall be not less than the applicable daily or hourly rate provided under paragraphs (a) and (b) of this section.

(d) *General provisions.* (1) If the producer and laborer agree upon a wage rate for any class of work higher than that prescribed herein, payment in full of the agreed upon rate must be made to qualify the producer for payment.

(2) The producer shall furnish to the laborer, without charge, the perquisites customarily furnished by him such as a dwelling, garden plot, pasture lot, and medical services.

(3) The producer shall not, through any subterfuge or device whatsoever, reduce the wage rates to laborers below those determined above.

(Sec. 301, 50 Stat. 909; 7 U. S. C. 1131)

Issued this 10th day of January 1947.

[SEAL] CLINTON P. ANDERSON,
*Secretary of Agriculture.*

[F. R. Doc. 47-365; Filed, Jan. 15, 1947; 8:55 a. m.]

## TITLE 31—MONEY AND FINANCE: TREASURY

### Chapter I—Monetary Offices, Department of the Treasury

PART 131—GENERAL LICENSES UNDER EXECUTIVE ORDER NO. 8389, APRIL 10, 1940, AS AMENDED, AND REGULATIONS ISSUED PURSUANT THERETO

EXEMPTION OF CERTAIN CURRENCY AND SECURITIES IMPORTED INTO UNITED STATES

JANUARY 16, 1947.

Revocation of General License No. 84, (7 F. R. 9862, 9 F. R. 940, 10 F. R. 9916) under Executive Order No. 8389, as amended, Executive Order No. 9193, as amended, section 5 (b) of the Trading with the Enemy Act, as amended by the First War Powers Act, 1941, relating to foreign funds control.

Section 131.84 (General License No. 84) is hereby revoked.

(Sec. 5 (b), 40 Stat. 415, 966; sec. 2, 48 Stat. 1; 54 Stat. 179; sec. 301, 55 Stat. 839;

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FEDERAL REGISTER

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## NOTICE

*General notices of proposed rule making, published pursuant to section 4 (a) of the Administrative Procedure Act (Pub. Law 404, 79th Cong.; 60 Stat. 238), which were carried under "Notices" prior to January 1, 1947, are now presented in a new section entitled "Proposed Rule Making". Relationship of these documents to material in the Code of Federal Regulations, formerly shown by cross reference under the appropriate Title, is now indicated by a bold-face citation in brackets at the head of each document.*

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[SEAL] JOHN W. SNYDER,
*Secretary of the Treasury.*

[F. R. Doc. 47-411; Filed, Jan. 15, 1947; 8:46 a. m.]

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PART 131—GENERAL LICENSES UNDER EXECUTIVE ORDER NO. 8389, APRIL 10, 1940, AS AMENDED, AND REGULATIONS ISSUED PURSUANT THERETO

EXEMPTION OF TRANSACTIONS WITH RESPECT TO CERTAIN CURRENCIES AND SECURITIES

JANUARY 16, 1947.

Amendment to General License No. 87 under Executive Order No. 8389, as amended, Executive Order No. 9193, as amended, section 5 (b) of the Trading with the Enemy Act, as amended by the First War Powers Act, 1941, relating to foreign funds control.

Section 131.87 (General License No. 87) is hereby amended to read as follows:

§ 131.87 *Exemptions from section 2A (2) of the order and from General Ruling No. 5*—(a) *Transactions exempted from section 2A (2) of the order.* A general license is hereby granted exempting all transactions from the provisions of section 2A (2) of the order, except transactions with respect to any securities or evidences thereof which, whether in registered or bearer form, are transferable or assignable and which either

(1) Were issued or guaranteed prior to December 7, 1941, by the United States or any State, territory, district, possession, or other political subdivision, agency or instrumentality of or in the United States or by any partnership, association, corporation or other organization organized or having its principal place of business in the United States; or

(2) Were issued prior to December 7, 1941, and are payable in the United States exclusively or alternatively in United States dollars, regardless of the nature or location of the issuer;

*Provided*, That this exception shall not be deemed to preclude transactions with respect to securities or evidences thereof which are physically situated in Great Britain, Canada, Newfoundland, or Bermuda, or to which Form TFEL–2 has been attached, or with respect to which a certification under paragraph (1) of General License No. 95 has been issued.

(b) *Exemption of certain currencies and securities from General Ruling No. 5.* The following currencies and securities are hereby exempted from the provisions of General Ruling No. 5:

(1) United States currency in denominations of $20 or less and all foreign currencies; and

(2) All securities other than those to which the exception of paragraph (a) of this section applies.

(Sec. 5 (b), 40 Stat. 415, 966; sec. 2, 48 Stat. 1; 54 Stat. 179; sec. 301, 55 Stat. 839; 12 U. S. C. 95a; 50 U. S. C. App. Sup., 5 (b); E. O. 8389, Apr. 10, 1940, as amended by E. O. 8785, June 14, 1941, E. O. 8832, July 26, 1941, E. O. 8963, Dec. 9, 1941, and E. O. 8998, Dec. 26, 1941; E. O. 9193, July 6, 1942, as amended by E. O. 9567, June 8, 1945; 3 CFR, Cum. Supp., 10 F. R. 6917; Regulations, Apr. 10, 1940, as amended June 14, 1941, Feb. 19, 1946, June 28, 1946, and Jan. 1, 1947; 31 CFR, Cum. Supp., 130.1–7, 11 F. R. 1769, 7184, 12 F. R. 6)

[SEAL] JOHN W. SNYDER,
*Secretary of the Treasury.*

[F. R. Doc. 47-413; Filed, Jan. 15, 1947; 8:46 a. m.]

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PART 131—GENERAL LICENSES UNDER EXECUTIVE ORDER NO. 8389, APRIL 10, 1940, AS AMENDED, AND REGULATIONS ISSUED PURSUANT THERETO

PROPERTY CERTIFIED BY GOVERNMENTS OF SPECIFIED COUNTRIES

JANUARY 16, 1947.

Amendment to General License No. 95 under Executive Order No. 8389, as amended, Executive Order No. 9193, as amended, section 5 (b) of the Trading with the Enemy Act, as amended by the First War Powers Act, 1941, relating to foreign funds control.

Paragraph (d) (1) of § 131.95 (paragraph (4) (a) of General License No. 95) is hereby amended to read as follows:

§ 131.95 *Property certified by governments of specified countries.* * * *

(d) *Definitions.* * * *

(1) The term "country specified herein" means the following:
(i) France, effective October 5, 1945;
(ii) Belgium, effective November 20, 1945;
(iii) Norway, effective December 29, 1945;
(iv) Finland, effective December 29, 1945;
(v) The Netherlands, effective February 13, 1946;
(vi) Czechoslovakia, effective April 26, 1946;
(vii) Luxembourg, effective April 26, 1946;
(viii) Denmark, effective June 14, 1946;
(ix) Greece, effective October 15, 1946;
(x) Switzerland, effective November 30, 1946;
(xi) Liechtenstein, effective November 30, 1946;
(xii) Poland, effective January 7, 1947;
(xiii) Austria, effective January 16, 1947;

and each country specified herein shall be deemed to include any colony or other territory subject to its jurisdiction.

(Sec. 5 (b), 40 Stat. 415, 966; sec. 2, 48 Stat. 1; 54 Stat. 179; sec. 301, 55 Stat. 839; 12 U. S. C. 95a; 50 U. S. C. App. Sup., 5 (b); E. O. 8389, Apr. 10, 1940, as amended by E. O. 8785, June 14, 1941, E. O. 8832, July 26, 1941, E. O. 8963, Dec. 9, 1941, and O. E. 8998, Dec. 26, 1941; E. O. 9193, July 6, 1942, as amended by E. O. 9567, June 8, 1945; 3 CFR, Cum. Supp., 10 F. R. 6917; Regulations, Apr. 10, 1940, as amended June 14, 1941, Feb. 19, 1946, June 28, 1946, and Jan. 1, 1947; 31 CFR, Cum. Supp., 130.1–7, 11 F. R. 1769, 7184)

[SEAL] JOHN W. SNYDER,
*Secretary of the Treasury.*

[F. R. Doc. 47–412; Filed, Jan. 15, 1947; 8:46 a. m.]

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APPENDIX A TO PART 131—GENERAL RULINGS UNDER EXECUTIVE ORDER 8389, APRIL 10, 1940, AS AMENDED, AND REGULATIONS ISSUED PURSUANT THERETO

EXEMPTION OF CERTAIN CURRENCIES AND SECURITIES FROM GENERAL RULING NO. 5

CROSS REFERENCE: For exemption of certain currencies and securities from General Ruling No. 5, see F. R. Doc. 47–413 under Part 131, *supra.*

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## Chapter II—Fiscal Service, Department of the Treasury

### Subchapter A—Bureau of Accounts

PART 207—SETTLEMENTS BY THE TREASURER OF THE UNITED STATES, IN ADVANCE OF RECLAMATION, WITH PAYEES OR SPECIAL ENDORSEES OF LOST OR STOLEN CHECKS, WHICH HAVE BEEN PAID ON FORGED ENDORSEMENTS

CROSS REFERENCE: For the renumbering of Part 207 as Part 359, see F. R. Doc. 47–363, Title 31, Chapter II, Subchapter C, *infra.*

### Subchapter C—Office of the Treasurer of the United States

PART 351—ORGANIZATION, FUNCTIONS, AND PROCEDURES OF THE OFFICE OF THE TREASURER OF THE UNITED STATES

FUNCTIONS AND PROCEDURES

JANUARY 9, 1947.

1. Section 351.5 *Lost, stolen and destroyed checks* (11 F. R. 177A–95) of Part 351, Subchapter C, Chapter II, Title 31 of the Code of Federal Regulations of the United States of America is hereby amended by deleting the reference "31 CFR 207" and substituting in lieu thereof the reference "31 CFR Part 359".

(Sec. 12, 60 Stat. 244, Pub. Law 404, 79th Cong.)

PART 359—SETTLEMENTS BY THE TREASURER OF THE UNITED STATES, IN ADVANCE OF RECLAMATION, WITH PAYEES OR SPECIAL ENDORSEES OF LOST OR STOLEN CHECKS, WHICH HAVE BEEN PAID ON FORGED ENDORSEMENTS

1. Part 207, Subchapter A, Chapter II, Title 31 of the Code of Federal Regulations of the United States of America (appearing also as Treasury Department Circular No. 678, dated January 23, 1942, 31 CFR, Cum. Supp., Part 207) is hereby renumbered Part 359, Subchapter C, Chapter II, Title 31 of the Code of Federal Regulations of the United States of America and the sections thereof will be renumbered accordingly.

2. Section 359.2 of Part 359 is hereby amended by deleting paragraph (d).

(55 Stat. 777; 31 U. S. C. Sup. 562)

E. H. FOLEY, Jr.,
*Acting Secretary of the Treasury.*

[F. R. Doc. 47–363; Filed, Jan. 15, 1947; 8:50 a. m.]

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# TITLE 32—NATIONAL DEFENSE

## Chapter VI—Selective Service System

[Local Board Memorandum No. 204, Issued: 1/15/47]

PART 671—LOCAL BOARD MEMORANDA

NOTIFICATION TO EIGHTEEN YEAR OLD REGISTRANTS

Pursuant to the provisions of the Administrative Procedures Act, the following directive issued under authority of the Selective Training and Service Act of 1940, as amended, is hereby made a matter of record:

§ 671.204 *Notification to eighteen year old registrants*—(a) *Purpose.* As a result of the decision of the War Department suspending inductions through the Selective Service System, it is believed that registrants who are presently 18 years of age have little knowledge of, or have overlooked, their potential liability for military training and service and their responsibilities under the Selective Training and Service Act of 1940, as amended. Under the circumstances, therefore, it has been determined that each such person, upon approaching the age of 19 years, should be given formal notification that his case will soon come before his local board for the determination of his Selective Service classification.

(b) *Action by local boards.* Local boards should forward such formal notification to each 18 year old registrant approximately 30 days before his nineteenth birthday. He should be advised that his classification will be considered by his local board when he reaches the age of 19 years and that, in order that his classification may be fairly determined upon the basis of all pertinent information, he should submit in writing to his local board for its consideration any and all evidence he believes will have a bearing upon his classification.

(c) *Form of notification.* Each State Director should prepare a form letter to be used by the local boards within his State in forwarding such notification to 18 year old registrants. (54 Stat. 885 as amended, 50 U. S. C. and Sup. App. 310)

LEWIS B. HERSHEY,
*Director.*

[F. R. Doc. 47–430; Filed, Jan. 15, 1947; 8:47 a. m.]

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[State Director Advice No. 258, Issued: 1/18/44, as Amended: 1/15/47]

PART 672—STATE DIRECTOR ADVICES

DISPOSAL OF RECORDS

Pursuant to the provisions of the Administrative Procedures Act, the following directive issued under authority of the Selective Training and Service Act of 1940, as amended, is hereby made a matter of record:

§ 672.258 *Disposal of records*—(a) *Statutory requirements and procedures*—(1) *Authorization required.* Records of the Selective Service System will be finally disposed of only as authorized by the Director of Selective Service. The term "records" as used herein includes all forms, regulations, memoranda, papers, maps, films, directives, books, pamphlets, and documentary material of any kind, created or received by or designed for official use by the Selective Service System, and all correspondence or copies of correspondence, as well as Cover Sheets, Classification Records, Minute Books and Registration Cards.

(2) *Requests by State Directors for disposal authorization.* Requests for authority to dispose of forms or other records in State Headquarters or local boards may be initiated by the State Director having jurisdiction. The request for disposal authorization will include the following information: identification, source of data, use, period of use, distribution, approximate number and location, and will be accompanied by two working copies withdrawn from the files. Upon receipt of a State Director's recommendation, the Director will, if in agreement, issue instructions in the manner outlined in subparagraph (3) of this paragraph.

(3) *Issuance of disposal authorization.* Authorization for the final disposal of records at State Headquarters, local boards, and boards of appeal, will be issued in the following manner:

(i) Local Board Memoranda will be issued by the Director for the disposal of local board records not readily adaptable to Form Disposal Instructions, and for general instruction purposes.

(ii) Form Disposal Instructions will be issued by the Director, authorizing the disposal of designated copies of completed DSS Forms and Standard Forms.

(iii) Authorization to dispose of State Headquarters records which are more or less common to all States will be included in this State Director Advice. Additional authorizations will be added from time to time as the necessity occurs.

(iv) Authorization to dispose of records created by the State Director for use within, and peculiar to, an individual State will be issued by the Director in individual letters of authorization.

(4) *State Director instructions to local boards.* F. F. A. Bulletin, Supplies and Equipment, 8–2, provides for the issuance by State Directors of instructions to local boards covering the sale, salvage, or other disposal of waste paper.

(5) *Microfilming.* State Directors will not authorize or engage in the microfilming of any records whatsoever without first obtaining the approval of the Director of Selective Service.

(6) *Definitions.* In the preparation of Form Disposal Instructions, certain terminology is used. The definitions of these terms are set forth below:

(i) *Mutilation.* (*a*) Blank forms: Destruction sufficient to prohibit their reuse.

(*b*) Completed forms or documents: Destruction sufficient to separate the registrant's name from the record content.

(ii) *Maceration.* Destruction by chemical equipment (available only in certain areas).

(iii) *Shredding.* Destruction by mechanical shredder (available only in certain areas).

(iv) *Burning.* Destruction by fire.

(v) *Identification of copy.* A copy will be referred to in the nomenclature outlined herewith:

(*a*) Original—The ribbon copy.
(*b*) First Copy—Will designate the duplicate.
(*c*) Second Copy—Will designate the triplicate.
(*d*) Third Copy—Will designate the quadruplicate.
(*e*) All Copies—Will designate the ribbon copy and all existing copies.

(vi) *Permanent record or permanent record copy.* The file group or copy designated for preservation.

(vii) *Salvage.* The delivery of material by sale, gift, or donation to a third party for conversion into paper products.

(viii) *Identical copies.* Copies will be considered identical when there is complete duplication of content, including signature and marginal notes.

(ix) *Confidential records.* Any record that has been classified in accordance with Local Board Memorandum No. 58, or falls within the provisions of § 605.31 of this chapter.

(x) *Disposal.* The term "disposal" will include destruction, transfer, permanent filing, or storage.

(7) *Transfers of records to State agencies.* (i) In a letter dated August 10, 1945 (0–18–247), each State Director was requested to express the interest of his State, or of an agency within his State, with respect to the acquisition of Selective Service records authorized for disposal. At a recent State Directors' Conference at this Headquarters, the possibility that all Selective Service records pertaining to an individual State would be made a permanent record of that State was discussed, and received considerable favorable comment. The following instructions relative to the transfer of records which have been authorized for destruction, are not to be construed as part of any contemplated action looking toward the centralization of current records at State Headquarters, or plans for the permanent filing of Cover Sheets, Registration Cards, and Classification Records within the States. These instructions are prepared to cover only records authorized for destruction and their transfer to State agencies which are beyond the administrative control of the Selective Service System. The procedure to be followed is outlined in subdivisions (iv) and (v) of this subparagraph.

(ii) Regulations of the National Archives Council adopted July 30, 1945, provide, in part, that records authorized for disposal may be transferred, with the approval of the Archivist of the United States and without cost to the Federal Government, to any governmen, organization, institution, corporaion, or person that has made application for them.

(iii) While the regulations of the National Archives Council provide that records may be transferred to institutions, corporations and persons, it has been administratively determined that the transfer of Selective Service Records will be restricted to State governmental, and quasi-governmental agencies, supported wholly, or in part, by State funds and for the public benefit. It has been further administratively determined that confidential records will not normally be transferred to non-Federal agencies.

(iv) State Directors should advise interested agencies within their respective States of the policy in this connection. A request for the transfer or acquisition of records should be initiated in writing by the agency concerned, including (*a*) name and address, (*b*) location of depository, (*c*) identity of record, including form number and title when applicable, (*d*) purpose for which desired, and (*e*) a statement that the requesting agency is governmental or quasi-governmental in character.

(v) Upon receipt of a request for the transfer or acquisition of records, the State Director will transmit such request to the Director of Selective Service, who will forward it to the Archivist of the United States for approval. The State Director, upon receipt of and in accordance with the decision of the Archivist of the United States, transmitted through the Director of Selective Service, shall transfer the physical custody of such records, or destroy them in accordance with the previously issued Disposal Instructions. It is emphasized that only those non-confidential records which have been authorized for destruction will be available for transfer to a State agency, and that the approval of the Archivist of the United States is required. All such transfers must be made without cost to the Federal Government.

(b) *Record groups authorized for disposal*—(1) *State publications and reports.* (i) State Directors have from time to time prescribed (*a*) Instructional Bulletins and Circulars, and (*b*) letters, lists, and schedules of transmittal. A letter to all State Directors dated April 5, 1945 (0–18–203), requested that a complete set of all instructional bulletins and circulars, including transmittal media, be furnished National Headquarters for archival purposes. State Directors are responsible for the assembling and transmittal of copies of these media to this Headquarters.

(ii) Selective Service Regulations covering the registration of the several age groups required that local boards report to the Governor or the State Director their state of readiness, the number of completed registration cards filed, and the total registration for each local board area. In addition, certain State Directors required that local boards prepare and submit lists and reports in connection with each registration.

(iii) State Directors have required local boards to submit special reports peculiar to their jurisdictions concerning classification, deferment, occupation, appeals, delinquency, induction, and the veterans' assistance program. These reports have been, in large part, supplemental to reports prescribed by this Headquarters.

(iv) State Directors are authorized to dispose of, after retention for three months, or after administrative need has been fulfilled, whichever is the greater period, all material described in subdivisions (i), (ii), and (iii) of this subparagraph. This authorization will not be construed to include reports pertaining to personnel or fiscal matters, or material filed in Cover Sheets.

(2) *Personnel records.* (i) This Headquarters has returned to State Directors the temporary personnel folders of employees separated from service, which had been maintained hereat for administrative purposes during such employees' tenure of office. State Directors have previously been instructed to incorporate in the permanent personnel folder all such material not duplicated therein, and to place such duplicated material in a separate transfer case or file pending the issuance of disposal instructions.

(ii) Extra copies of the following personnel records may be disposed of, by mutilation and salvage, after the lapse of the period of time shown, or after administrative needs have been fulfilled, whichever is the greater period, provided that when such material is confidential to an employee, it shall be macerated, shredded, or burned:

(*a*) Copies of personnel forms and correspondence received from National Headquarters in accordance with subdivision (i) of this subparagraph, which are duplicates of material already on file in the permanent personnel file maintained at State Headquarters, after three months' retention.

(b) Copies of Standard Form 50, Notification of Personnel Action, which are duplicates of other copies in the permanent personnel folder maintained at State Headquarters, after three months' retention.

(iii) All copies of the following personnel records and correspondence, not specified for filing in the personnel folder of individual employees, may be disposed of by mutilation and salvage after the lapse of the period of time shown, or after administrative needs have been fulfilled, whichever is the greater period:

(a) Notice of efficiency ratings, except Standard Form 51 or equivalent, after six months' retention.

(b) Letters and telegrams offering appointments, after six months' retention.

(c) Welcoming Letters, after six months' retention.

(d) Letters of Introduction, after six months' retention.

(e) Papers submitted in examinations to determine the suitability of employees for promotion or reassignment, after one year's retention.

(f) Statistical work reports on interviews, separations, and other personnel actions, after eighteen months' retention.

(g) Lists of names for, and papers relating to, changes in employee and telephone directories, after six months' retention.

(h) Reports of tardiness, after eighteen months' retention.

(i) Daily, weekly, semi-monthly and monthly reports of absence and time, excluding Standard Forms 72 and 72a, Time and Attendance Report. All record copies, except record copies in agency fiscal offices, after eighteen months' retention.

(iv) All copies of the following uncompensated personnel records, relating only to registrars and transitory volunteer workers, will be disposed of by mutilation and salvage after the administrative needs of the State Director have been fulfilled:

(a) Oaths taken by registrars in accordance with section XII, Volume Two, Registration, Selective Service Regulations, First Edition.

(b) Oaths of office and waivers of pay executed by registrars and transitory volunteer workers only.

(c) Lists of registrars and transitory volunteer workers.

(d) Control, index, and administrative records pertaining to registrars and volunteer workers.

(3) *Fiscal, accounting, and property records.* (i) The disposal of fiscal records involves problems of personal and legal responsibility on the part of State Procurement Officers which can be resolved, in a large part, by the individual officers concerned. The Comptroller General of the United States, as the officer responsible for the audit of disbursements of Selective Service Funds, has agreed that certain second copies of fiscal documents in possession of the Selective Service System are non-record in character, preserved solely for convenience of reference, and therefore disposable after settlement and adjustment. The Chief of Finance, U. S. Army, as the accountable officer charged with disbursement of Selective Service Funds, has stated that that office has no objection to the destruction of second copies of such fiscal documents. The original, or record documents, with supporting papers, are on file in the General Accounting Office, while first copies thereof, with some supporting papers, are retained in the office of the Chief of Finance, U. S. Army.

(ii) No fiscal records shall be destroyed against which obligations are outstanding. Where an exception has been taken or a discrepancy exists, such documents shall be retained until final clearance and settlement. Fiscal records released for destruction which the State Procurement Officer wishes to retain for personal reasons, may be delivered into his custody with the consent of the State Director, and the approval of this Headquarters.

(iii) State Directors are hereby authorized to dispose of second copies of the documents listed below, after administrative needs have been fulfilled. It will be noted that the date of the document is the controlling factor in determining its disposability. When several dates appear in the document and supporting papers, the latest date will control:

(a) Copies of Vouchers, Per Diem and/or Reimbursement of Expenses (Standard Form 1012–a) including copies of Continuation Sheet (Standard Form 1012–c) with all attachments, dated prior to July 1, 1943.

(b) Copies of Statement of Travel by Motor Vehicle (Standard Form 1012–e, Revised), with all attachments, dated prior to July 1, 1943.

(c) Copies of Vouchers for Purchases and Services other than personal (memorandum), (Standard Form 1034–c) (Revised), including Continuation Sheet of Memorandum (Standard Form 1035–A, Revised), with all attachments, dated prior to July 1, 1943.

(d) Copies of Schedules of Disbursements (Standard Form 1064), with all attachments, dated prior to July 1, 1943.

(e) Copies of Mileage Vouchers (Memorandum), (Standard Form 1071–a, Revised), with attachments, dated prior to July 1, 1943.

(f) Copies of Vouchers for Transfer Between Appropriation and/or Final Accounts (Standard Form 1080–a, Revised), (Memorandum Disbursement Voucher—Yellow), and (Standard Form 1080–c, Revised), (Memorandum of Collection Voucher—Green), with all attachments, dated prior to July 1, 1943, if not current or in force.

(g) Copies of Standard Forms of Government Lease (Real Estate), (Standard Form 2), Request for Approval of Lease, (Public Buildings Administration Form P–S–C–6), Notice of Renewal of Lease (DSS Form 19), Supplement to Lease (DSS Form 244), and Statement of Fair Market Value (DSS Form 270), with all attachments, dated prior to July 1, 1943, if not current or in force.

(h) Copies of Standard Forms of Government Bid (Supply), (Standard Form 31), Contract (Supplies), Standard Form of Contract, (Standard Form 33), including Standard Government Form of Continuation Sheet (Standard Form 36), with all attachments, dated prior to July 1, 1943, if not current or in force.

(i) Copies of Contracts for Telephone Service (Standard Form 48), and Standard Government Form of Contract (Coal), with all attachment, dated prior to July 1, 1943, if not current or in force.

(iv) Form Disposal Instructions covering prescribed DSS Forms relating to fiscal matters, referred to in subdivision (iii) (g) of this subparagraph, will also be found in Part Two of the Form Manual.

(v) State Directors who have created fiscal records peculiar to their own jurisdiction should advise this Headquarters, requesting authority to dispose of such records, attaching copies and a brief description of their function.

(4) *Miscellaneous record groups.* (i) Correspondence between State Directors and the various administrative agencies of the Selective Service System pertaining to individual registrants, as well as with other persons not connected with the System, has resulted in a large accumulation of material at many State Headquarters. It would appear that this State Headquarters correspondence is, in a great majority of instances, a duplication of the information in the Cover Sheet (DSS Form 53) of the registrant concerned. Requests have been received from some State Directors for authority to dispose of this correspondence.

(ii) Correspondence which, in the discretion of the State Director, belongs in the Cover Sheet (DSS Form 53) should be forwarded to the appropriate local board for filing.

(iii) State Directors are hereby authorized to dispose of, by macerating or shredding, and salvage, after administrative needs have been fulfilled, or after three months' retention, whichever is the greater period, all copies of the material described in subdivision (i) of this subparagraph, when in their opinion it is a duplication of the information contained in the Cover Sheet of the registrant concerned. When macerating or shredding equipment is not available, this material shall be burned.

(iv) State Directors have created and maintained certain records at State Headquarters and local boards for the purpose of controlling incoming communications. These records are of a varied character, consisting, in the greater part, of mailing lists; records of the receipt and routing of incoming mail; production reports of types of communications handled and work performed; records of remittances such as checks, cash, money orders, and other enclosures received in incoming mail; records of incoming and outgoing registered, insured, and special delivery mail, parcel post, express, telegrams, and radiograms; return receipts of registered, insured, and special delivery mail; reports of postage used on outgoing mail; statements of the mailing of canceled or metered matter; reports of loss, rifling, delay, wrong delivery, or other improper treatment of mail matters; records of official penalty mail sent, and requisitions for postage stamps. These mailroom functions have involved the use of U. S. Post Office Department Forms, or their equivalent, and forms or control records devised by State Head-

quarters. State Directors are hereby authorized to dispose of after retention for one year, all records referred to in this subparagraph and similar records created by the State Director and used in the normal functions of a mailroom. This authority does not apply to the record of official penalty mail sent, which must be retained two years, nor to copies of requisitions for postage stamps, rubber stamps, and other mailroom items involving the expenditure of funds when such copies are used as supporting documents to payment vouchers.

(v) State Directors have in their files certain material which may best be described as "Informational Services and Relations with the Public." These records consist of mailing lists; correspondence and other records relating to changes in mailing lists; requests for publications and acknowledgments and replies to such acknowledgments of inquiries and requests which have been referred to other government agencies; requests for information and replies thereto involving no administrative action, no policy decisions, and no special compilations or research for reply, including requests for information and inquiries to which replies are made by printed or duplicated material; and anonymous letters and letters of commendation, complaint, criticism and suggestion, and replies to such. State Directors are authorized to dispose of, after retention for six months, all such records as are referred to in this subparagraph, excluding those letters of complaint on the basis of which investigations were made, or administrative action was taken, or those incorporated in individual personnel records.

(c) *Record of disposals*—(1) *Records disposal action and report.* (i) Each State Headquarters will maintain a record of all records disposed of at State Headquarters, in addition to the Certificate of Disposal of Confidential Records (DSS Form 380) received from local boards. These records should contain the following data:

(*a*) Identity of disposal authorization.

(*b*) Quantity (In cubic feet or pounds).

(*c*) Manner of disposal.

(*d*) Certificate of disposal of confidential records (When applicable).

(ii) From time to time National Headquarters will ask for a report on the volume of all records disposed of at State Headquarters, and the volume of confidential records disposed of at local boards. The above records are considered adequate to meet any anticipated requirements for data of this nature.

(d) *Rescission of certain state director advices; purpose of this section.* This State Director Advice is issued for the purpose of combining and condensing herein the provisions of all State Director Advices pertaining to the disposal of records. State Director Advice No. 258–A, Issued: 10/2/44, Subject: Records, State Director Advice No. 258–C, Issued: 6/26/45, Subject: Disposal of Certain State Publications, State Director Advice No. 258–F, Issued: 10/12/45, Subject: Disposal of Records—State Reports, State Director Advice No. 258–G (11 F. R. 12045); Issued 1/5/46, As Amended: 10/11/46, Subject: Disposal of Personnel Records, State Director Advice No. 258–I, Issued: 5/28/46, Subject: Disposal of Records—Correspondence Files at State Headquarters, State Director Advice No. 258–J (11 F. R. 12046); Issued: 10/11/46, Subject: Disposal of Records—Transfers to State Agencies, and State Director Advice No. 258–K (11 F. R. 12046); Issued: 10/11/46, Subject: Disposal of Records: (*a*) Mail and Postal Records, (*b*) Records of Informational Services and Relations with the Public, have been incorporated herein and are therefore hereby rescinded. State Director Advice No. 258–D, Issued: 6/29/45, Subject: Disposal of Records of Fourth Registration, State Director Advice No. 258–E, Subject: Disposal of Records—Replacement Schedules—Manning Tables, and State Director Advice No. 258–H, Issued: 3/4/46, Subject: Disposal of Records—Veterans Assistance Record, have served their purpose and are therefore hereby rescinded. (54 Stat. 885 as amended, 50 U. S. C. and Sup. App. 310)

LEWIS B. HERSHEY,
*Director.*

[F. R. Doc. 47–429; Filed, Jan. 15, 1947; 8:46 a. m.]

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[State Director Advice No. 344, Issued: 1/14/47]

## PART 672—STATE DIRECTOR ADVICES

### OCCUPATIONAL CLASSIFICATION OF MEN IN MERCHANT MARINE

Pursuant to the provisions of the Administrative Procedures Act, the following directive issued under authority of the Selective Training and Service Act of 1940, as amended, is hereby made a matter of record:

§ 672.344 *Local Board Memorandum No. 115;*[1] *certification plan; occupational classification of men in the Merchant Marine.* (a) Pursuant to a request from the Office of Temporary Controls, the certification of certain registrants specified in Part IV of Local Board Memorandum No. 115 as previously authorized is continued. The Office of Temporary Controls has requested the Civilian Production Administration of the Office of Temporary Controls, the United States Office of Education, and the National Housing Agency to assist the Selective Service System in the program. The functions previously performed by the Office of Scientific Research and Development have been assumed by the Civilian Production Administration of the Office of Temporary Controls, Washington 25, D. C., with the exception of the certification of advanced students in the physical sciences or engineering and of registrants engaged in university research in the physical sciences or engineering (Part IV, paragraphs 1 and 2), which functions have been assumed by the United States Office of Education.

(b) As of January 1, 1947, the United States Maritime Commission discontinued the submission of deferment requests for registrants employed as merchant seamen in the Merchant Marine. Employers have been notified by the United States Maritime Commission that they will be required to file requests for occupational deferment under policies and procedures described in Part II, paragraphs 1 and 3, of Local Board Memorandum No. 115.

(54 Stat. 885 as amended; 50 U. S. C. and Sup. App. 310)

LEWIS B. HERSHEY,
*Director.*

[F. R. Doc. 47–348; Filed, Jan. 14, 1947; 8:57 a. m.]

[1] Not filed with the Division of the Federal Register.

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## Chapter VIII—Office of International Trade, Department of Commerce

[Amdt. 289]

## PART 801—GENERAL REGULATIONS

### PROHIBITED EXPORTATIONS

Section 801.2 *Prohibited exportations* is amended as follows:

The list of commodities set forth in paragraph (b) is amended in the following particulars:

1. The following commodities are hereby added to the list of commodities:

| Dept. of Com. Sched. B No. | Commodity | Unit | GLV dollar value limits country group | |
|---|---|---|---|---|
| | | | K | E |
| 630301 | Aluminum sheets, plates, and strips. | Lb... | 100 | 25 |

2. The following commodities are hereby deleted from the list of commodities:

| *Dept. of Comm. Sched. B No.* | *Commodity* |
|---|---|
| | Naval stores, gums and resins: |
| 211000 | Gum rosin. |
| 211100 | Wood rosin. |
| 218909 | Colophony. |
| 218909 | Rosin oil. |
| 218909 | Sulfate wood rosin. |
| | Construction and conveying machinery: |
| 723100 | Concrete block machines, except multiple-mold. |
| | Other industrial machinery: |
| 775098 | Brick making machinery and parts. |
| | Chemical specialties: |
| 825100 | Ester gums in powder, flake or liquid form (include scrap). |
| 825300 | Rosin-modified maleic and fumaric resins. |
| 825500 | Pentaerythritol esters of rosin, glycol esters of rosin, and methyl esters of rosin. |
| 829990 | Rosin size. |
| | Industrial chemicals: |
| 837900 | Sodium resinate. |

Shipments of the commodities added to the list of commodities which were on dock, on lighter, laden aboard an exporting carrier, or in transit to a port of exit pursuant to an actual order for export prior to the effective date of this

amendment may be exported under the previous general license provisions. This amendment shall become effective immediately except that, with respect to the commodities added to the list of commodities, it shall become effective on January 22, 1947.

(Sec. 6, 54 Stat. 714; 55 Stat. 206; 56 Stat. 463; 58 Stat. 671; 59 Stat. 270; 60 Stat. 215; 50 U. S. C. App. Sup. 701, 702; E. O. 9630, September 27, 1945, 10 F. R. 12245)

Dated: January 8, 1947.

FRANCIS MCINTYRE,
*Deputy Director for Export Control, Commodities Branch.*

[F. R. Doc. 47-410; Filed, Jan. 15, 1947; 8:49 a. m.]

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[Amdt. 288]

## PART 801—GENERAL REGULATIONS

### PROHIBITED EXPORTATIONS

Section 801.2 *Prohibited exportations* is amended as follows:

The list of commodities set forth in paragraph (b) is amended in the following particulars:

1. The following commodities are hereby added to the list of commodities:

| Dept. of Com. Sched. B No. | Commodity | Unit | GLV dollar value limits country group | |
|---|---|---|---|---|
| | | | K | E |
| 800600 | Benzol | Gal. | 100 | 25 |
| 802300 | Phenol | Lb. | 100 | 25 |
| | Synthetic gums and resins: | | | |
| | In powder, flake or liquid form (scrap included): | | | |
| 825500 | Tar-acid resins; phenol-formaldehyde resins only. | Lb. | 100 | 25 |
| | Sheets, plates, rods, tubes, and other unfinished forms: | | | |
| 826000 | Laminated; phenol-formaldehyde resins only. | Lb. | 100 | 25 |
| 826100 | Not laminated; phenol-formaldehyde resins only. | Lb. | 100 | 25 |

2. The following commodities are hereby deleted from the list of commodities:

| *Dept. of Comm. Sched. B No.* | *Commodity* |
|---|---|
| | Iron and steel manufactures: |
| 615698 | Crosscut and hand saws and parts. |
| 618000 | Door locks and lock sets of iron, steel, brass, and bronze; panic bolts, prison locks, and rim deadlocks only. |
| 618200 | Hinges and butts, iron and steel; cabinet and furniture hinges only. |
| 618300 | Other builders' hardware, except barrel bolts, casement handles, catches, door bolts, door knobs, door pulls, door springs, (coil), hasps, hinge parts, latches, lock parts, sash adjusters, sash balances, sash fasteners, storm window operators, window catches, window fasteners, and window latches. |
| | Iron and steel manufactures—Con. |
| | Iron and steel manufactures, n. e. s.: |
| 620998 | Robertson protected metal roofing sheets; roofing, steel, asbestos-coated; roofing, steel, asphalt-coated; and roofing, tile, vitrified steel. |
| 620998 | Metal sheet culverts. |
| | Brass and bronze manufactures: |
| 645600 | Plumbers' brass goods; thermostatic water mixing valves only. |
| 646500 | Hinges and butts of brass or bronze; cabinet and furniture hinges only. |
| 647998 | Brass and bronze window strips, windows, and parts. |

3. A qualifying footnote reference meaning "Requires individual license for export to all areas except the Philippine Islands and all countries in North America and South America as listed in Schedule C of the Bureau of the Census, U. S. Department of Commerce" is hereby added with respect to the following commodities:

| *Dept. of Comm. Sched. B No.* | *Commodity* |
|---|---|
| | Grains and Preparations: |
| 103500 | Grain sorghums (bu. 56 lbs.) except seed (report grain sorghum for seed in 241990). |

Shipments of the commodities added to the list of commodities which were on dock, on lighter, laden aboard an exporting carrier, or in transmit to a port of exit pursuant to an actual order for export prior to the effective date of this amendment may be exported under the previous general license provisions. This amendment shall become effective immediately except that, with respect to the commodities added to the list of commodities it shall become effective on January 22, 1947.

(Sec. 6, 54 Stat. 714; 55 Stat. 206; 56 Stat. 463; 58 Stat. 671; 59 Stat. 270; 60 Stat. 215; 50 U. S. C. App. Sup. 701, 702; E. O. 9630, September 27, 1945, 10 F. R. 12245)

Dated: January 8, 1947.

FRANCIS MCINTYRE,
*Deputy Director for Export Control, Commodities Branch.*

[F. R. Doc. 47-367; Filed, Jan. 15, 1947; 8:49 a. m.]

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## Chapter IX—Office of Temporary Controls, Civilian Production Administration

AUTHORITY: Regulations in this chapter unless otherwise noted at the end of documents affected, issued under sec. 2 (a), 54 Stat. 676, as amended by 55 Stat. 236, 56 Stat. 177, 58 Stat. 827, and Public Laws 270 and 475, 79th Congress; Public Law 388, 79th Congress; E. O. 9024, 7 F. R. 329; E. O. 9040, 7 F. R. 527; E. O. 9125, 7 F. R. 2719; E. O. 9599, 10 F. R. 10155; E. O. 9638, 10 F. R. 12591; C. P. A. Reg. 1, Nov. 5, 1945, 10 F. R. 13714; Housing Expediter's Priorities Order 1, Aug. 27, 1946, 11 F. R. 9507; E. O. 9809, Dec. 12, 1946, 11 F. R. 14281; OTC Reg. 1, 11 F. R. 14311.

### PART 1010—SUSPENSION ORDERS

[Suspension Order S-1067]

#### W. C. MOSS AND HARRY S. KRAMER, JR.

W. C. Moss and Harry S. Kramer, Jr., are partners doing business as Broadview Investment Company and as such own and operate the Broadview Hotel building at 4th and Broadway in East St. Louis, Illinois. On June 18, 1946, they filed application on Form CPA-4423 for authorization to make alterations upon the hotel to improve dining room service, at a cost of $9,500, which was authorized July 8, 1946. Thereafter they began and carried on construction of a new cocktail lounge in a room at the opposite end of the hotel and across the hotel lobby from the dining room at a cost greatly in excess of the amount authorized for alterations to improve dining room service. This construction was not in accordance with the terms of the authorization and was in violation of Veterans' Housing Program Order No. 1. This violation has diverted critical materials to uses not authorized by the Civilian Production Administration. In view of the foregoing, it is hereby ordered that:

§ 1010.1067 *Suspension Order No. S-1067.* (a) Neither W. C. Moss and Harry S. Kramer, Jr., doing business as Broadview Investment Company, nor any other person shall do any further construction or alteration in the room approximately 40 feet by 60 feet intended to be a cocktail lounge located in the southwest corner of the Broadview Hotel building at 4th and Broadway Streets, East St. Louis, Illinois, including completing or altering such room, unless hereafter specifically authorized in writing by the Civilian Production Administration.

(b) W. C. Moss and Harry S. Kramer, Jr., shall refer to this order in any application or appeal which they may file with the Civilian Production Administration for authorization to carry on construction.

(c) Nothing contained in this order shall be deemed to relieve W. C. Moss or Harry S. Kramer, Jr., doing business as Broadview Investment Company, or otherwise, their or its successors or assigns, from any restriction, prohibition or provision contained in any other order or regulation of the Civilian Production Administration, except insofar as the same may be inconsistent with the provisions hereof.

Issued this 15th day of January 1947.

CIVILIAN PRODUCTION ADMINISTRATION,
By J. JOSEPH WHELAN,
*Recording Secretary.*

[F. R. Doc. 47-498; Filed, Jan. 15, 1947; 11:19 a. m.]

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## Chapter XVIII—Office of Temporary Controls, Office of War Mobilization and Reconversion (Stabilization)

[Directive 144]

### PART 4003—SUBSIDIES: SUPPORT PRICES

#### SUGAR BEETS, 1947 CROP

§ 4003.4c *Sugar beets, 1947 crop.* The Secretary of Agriculture has recom-

mended to me changes in the 1947 Sugar Beet Price Support Program, as authorized and directed in Directive 138 (11 F. R. 13422) of the Director of the Office of War Mobilization and Reconversion, issued November 6, 1946. The Secretary recommends that the proposed contract between Commodity Credit Corporation and the processors of sugar beets in the United States should properly include an agreement by Commodity Credit Corporation to reimburse such processors to the extent that a weighted average seaboard basis price for refined cane sugar for the 1947-crop marketing year for beet sugar is less than $8.20 per 100 pounds, rather than $8.10 per 100 pounds as originally contemplated, in order for such processors to guarantee to growers a payment for 1947-crop sugar beets equivalent to a national average of $14.50 per ton.

The Secretary also recommends that the contract, as originally proposed, should include an agreement by Commodity Credit Corporation to make a payment to such processors in the event that it should undertake subsidies with respect to 1947-crop or 1948-crop Cuban sugar to the extent that these subsidies prevent the price of fine granulated sugar in the United States from reaching a level as far above $8.20 per 100 pounds as would otherwise be required to permit Commodity Credit Corporation to sell such sugar without loss. The amount of this payment, if the subsidy is undertaken with respect to 1947-crop Cuban sugar, would be made on all beet sugar sold during 1947; if the subsidy is undertaken with respect to 1948-crop Cuban sugar, the payment would be restricted to 1947-crop beet sugar sold in 1948.

After careful consideration, I hereby find that the proposed amendment to the program authorized and directed in Directive 138 of the Director of the Office of War Mobilization and Reconversion is necessary to insure the maximum necessary production and distribution of domestic beet sugar from the 1947 crop of sugar beets.

The Department of Agriculture is authorized and directed to carry out, through the Commodity Credit Corporation, the price support program for the 1947 crop of domestic sugar beets as authorized and directed in Directive 138 of the Director of the Office of War Mobilization and Reconversion, with the amendments described herein (and as described in further detail in the letter of December 26, 1946, from the Secretary of Agriculture and the supplementing documents), to the extent that such program involves the payment of subsidies within the meaning of that term as used in the Emergency Price Control Act, as amended, and the Price Control Extension Act of 1946. (56 Stat. 765; 58 Stat. 632, 642, 784; 59 Stat. 306; Pub. Law 548, 79th Cong.; 15 U. S. C. 713a-8, 713a-8 note, 50 U. S. C. App. Sup. 901-903, 921-925, 961-971; E. O. 9250, Oct. 3, 1942, 7 F. R. 7871; E. O. 9328, Apr. 8, 1943, 8 F. R. 4681, E. O. 9599, Aug. 18, 1945, 10 F. R. 10155, E. O. 9651, Oct. 30, 1945, 10 F. R. 13487, E. O. 9697, Feb. 14, 1946, 11 F. R. 1691, E. O. 9699; Feb. 21, 1946, 11 F. R. 1929, E. O. 9762, July 25, 1946, 11 F. R. 8073, E. O. 9809, Dec. 12, 1946, 11 F. R. 14281)

Issued and effective this 9th day of January 1947.

PHILIP B. FLEMING,
*Temporary Controls Administrator.*

[F. R. Doc. 47-483; Filed, Jan. 15, 1947; 8:46 a. m.]

## Chapter XXIII—War Assets Administration

[Reg. 14, Amdt. 1]

### PART 8314—DISPOSAL TO NONPROFIT INSTITUTIONS AND DISCOUNTS FOR EDUCATIONAL OR PUBLIC-HEALTH INSTITUTIONS OR INSTRUMENTALITIES

War Assets Administration Regulation 14, October 1, 1946, entitled "Disposal to Nonprofit Institutions and Discounts for Educational or Public-Health Institutions or Instrumentalities" (11 F. R. 11505) is hereby amended in the following respects:

1. Section 8314.1 (b) is amended by adding a new subparagraph (5) at the end thereof to read as follows:

(5) "Commercially unsalable property" as used herein is distinguished from property of no commercial value as used in Part 8319 [1] and means property (i) which by reason of its condition resulting from damage, wear, obsolescence, or otherwise has no reasonable prospect of sale except as scrap or salvage, or (ii) with respect to which the estimated cost of care and handling and disposition will exceed the estimated proceeds unless it is promptly sold as scrap or salvage.

2. Section 8314.2 is amended by deleting the second sentence therefrom and substituting the following in lieu thereof: "It shall not apply to any disposals of real property; nor to personal property appurtenant to or assigned for disposal in connection with real property and disposed of under Parts 8305,[2] 8310,[3] 8316,[4] or 8320[5]; nor to aeronautical property disposed of pursuant to Order 4[6] under Part 8304.[7]"

3. Section 8314.5 is amended by inserting the following new material:

§ 8314.5 *Disposal of commercially unsalable property.* Upon a determination by the disposal agency that surplus property in its possession is commercially unsalable, such property may be disposed of as salvage or scrap at prices which will reflect the benefit which has accrued or may accrue to the United States from the use of such property by nonprofit educational or public-health institutions or instrumentalities: *Provided*, That such nonprofit institutions are exempt from taxation under section 101 (6) of the Internal Revenue Code.

4. Section 8314.8 (b) is amended to read as follows:

§ 8314.8 (b) *Acquisition at competitive sales.* (1) Any nonprofit institution shall be entitled to compete on the same terms and conditions as other classes of purchasers whenever surplus property which has been previously offered for sale at fixed prices to priority claimants is offered at competitive bid sales.

(2) Institutions eligible for discounts pursuant to the provisions of § 8314.9 (b) of this part shall be accorded such discounts when acquiring surplus property at competitive bid sales in those cases where the property has not previously been offered to priority claimants and when the fair value for priority claimants is fixed after examining the competitive bids.

Surplus Property Act of 1944 as amended; 58 Stat. 765 as amended; 50 U. S. C. App. Sup. 1611; Pub. Law 181, 79th Cong.; 59 Stat. 533; 50 U. S. C. 1614a, 1614b; and E. O. 9689 (11 F. R. 1265)

This amendment shall become effective January 13, 1947.

ROBERT M. LITTLEJOHN,
*Administrator.*

JANUARY 13, 1947.

[F. R. Doc. 47-501; Filed, Jan. 15, 1947; 11:32 a. m.]

[Reg. 17,[1] Order 6]

### PART 8317—STOCK PILING OF STRATEGIC AND CRITICAL MATERIALS

#### DIRECT SALES OF COPPER AND LEAD SCRAP BY OWNING AGENCIES OUTSIDE THE CONTINENTAL LIMITS OF THE UNITED STATES

Pursuant to the provisions of § 8317.8 of this part, the Civilian Production Administration has determined that a deficiency in the supply of certain strategic and critical materials presently exists for the current requirements of industry. Among the materials determined to be in short supply are copper and lead in scrap form. The War Department has advised that varying quantities of such materials are located in the several theatres of operation outside the continental limits of the United States.

On December 10, 1946, the Director, Office of War Mobilization and Reconversion, requested that the Secretary of State permit the reimportation of all ferrous and non-ferrous scrap metal from all sources into the United States in order to alleviate the industrial deficiency in such materials. Acting pursuant thereto, the Secretary of State issued Supplement 3 [2] to Order 6, FLC Regulation 8, dated December 24, 1946, to allow the reimportation of all ferrous and non-ferrous scrap metal.

In accordance with the provisions of § 8317.9 of this part, it is hereby ordered, that:

§ 8317.56 *Direct sales of copper and lead scrap by owning agencies outside the continental limits of the United States.* Notwithstanding the provisions of § 8317.5 of this part, owning agencies are

[1] SPA Reg. 19 (10 F. R. 14966; 11 F. R. 3691).
[2] Reg. 5 (11 F. R. 12717).
[3] Reg. 10 (11 F. R. 7583, 12017).
[4] Reg. 16 (11 F. R. 7427, 8361).
[5] SPA Reg. 20 (11 F. R. 182, 561, 3302, 7431).
[6] Reg. 4, Order 4 (11 F. R. 1471, 14104).
[7] Reg. 4 (11 F. R. 5868).

[1] 11 F. R. 9573, 12306.
[2] 11 F. R. 14634.

authorized, without the need for reporting to, or utilizing the services of, Reconstruction Finance Corporation, to make sales of copper and lead in scrap form, located outside the Continental limits of the United States, to purchasers who will undertake to ship such materials to the United States for use in the domestic economy.

Reports of such sales by owning agencies shall be made to Reconstruction Finance Corporation, Strategic Materials Unit, Washington 25, D. C., indicating the amount, description, and payment received.

(Surplus Property Act of 1944, as amended (58 Stat. 765, as amended; 50 U. S. C. App. Sup. 1611); Pub. Law 181, 79th Cong. (59 Stat. 533; 50 U. S. C. App. Sup. 1614a, 1614b); E. O. 9689 (11 F. R. 1265); and Pub. Law 520, 79th Cong., 2d Sess.)

NOTE: All reporting requirements of this section have been approved by the Bureau of the Budget in accordance with the Federal Reports Act of 1942.

This section shall become effective January 16, 1947.

ROBERT M. LITTLEJOHN,
*Administrator.*

JANUARY 8, 1947.

[F. R. Doc. 47-502; Filed, Jan. 15, 1947; 11:32 a. m.]

# TITLE 49—TRANSPORTATION AND RAILROADS

## Chapter I—Interstate Commerce Commission

[Docket No. 3666]

### PARTS 71–85—EXPLOSIVES AND OTHER DANGEROUS ARTICLES

### MISCELLANEOUS AMENDMENTS

In the matter of regulations for transportation of explosives and other dangerous articles.

At a session of the Interstate Commerce Commission, Division 3, held at its office in Washington, D. C., on the 31st day of December A. D. 1946.

It appearing that, pursuant to section 233 of the Transportation of Explosives Act approved March 4, 1921 (41 Stat. 1445), and Part II of the Interstate Commerce Commission Act, the Commission has formulated and published certain regulations for transportation of explosives and other dangerous articles:

It further appearing that in applications received we are asked to amend the aforesaid regulations as set forth in provisions made part hereof;

*It is ordered*, That the aforesaid regulations for transportation of explosives and other dangerous articles be, and are hereby, amended as follows:

*Part 3—Regulations Applying to Shippers (CFR 75)*

Superseding and amending paragraph (n) (2), section 303 (*Liquefied petroleum gas*), order December 18, 1941, and January 25, 1945, to read as follows:

(n) (2) *Spec. 3, 3A, 3B, 3E, 4, 4A, 4B, 4B240X, 4B240FLW, 25, 26, or 38.* Cylinders authorized under 303 (p) (2) to 303 (p) (6) may be used.

Because of the present emergency and until further order of the Commission, non-ICC specification containers used for liquefied gases prior to June 15, 1943, under laws and rules, or regulations of the States in which they are located, and so long as they are maintained in safe transportation condition, are authorized for use in the transportation of those gases by common, contract, or private carrier by motor vehicle, in intrastate commerce only, within those states. All other requirements of the Commission for such transportation must be complied with. This authority does not apply to cargo tanks of tank motor vehicles.

*Appendix to Part 3—Shipping Container Specifications (CFR 72)*

Amending Spec. 4B, order Aug. 16, 1940, as follows (add):

23. Special type with fusion-welded longitudinal seam authorized because of the present emergency and until further order of the Commission. Cylinders to have 240 pounds nominal water capacity, a service pressure of 240 pounds per square inch, and be made in compliance with all the requirements of this specification, except those applicable to longitudinal seams, and with all of the following additional requirements, which apply to cylinders with fusion-welded longitudinal seams:

(a) Cylinders shall be inspected by competent and disinterested inspectors acceptable to the Bureau of Explosives.

(b) Steel shall be plain carbon steel of American Society for Testing Materials firebox quality with carbon content not in excess of 0.25 percent.

(c) Calculated wall stress at two times the service pressure shall not exceed 18,000 pounds per square inch.

(d) Each cylinder shall be thermally stress-relieved after all initial welding and seam repair welding operations have been completed and prior to the hydrostatic test.

(e) Each cylinder shall be subjected to the hydrostatic test as specified in paragraphs 13 (a), (b), and (c) of Specification 3A. Test pressure shall be at least two and two-thirds times the service pressure. Following this test, each cylinder shall be subjected to a dry air-pressure test of two times the service pressure. The cylinder shall be thoroughly dry before air test is applied, and during test welded seams shall be examined for leaks, either by submerging the cylinders in liquid, or by painting all welded seams with a solution suitable for the detection of leaks.

(f) (1) Longitudinal fusion-welded seam shall be of the double-welded butt type. Filler metal may be added from one side when and if means are provided for accomplishing complete penetration and reinforcement on both sides of the joint. Welding procedure and welding operators shall be qualified for the manufacture of pressure vessels in accordance with paragraph U–69 of the Rules for Construction of Unfired Pressure Vessels, Section VIII of the American Society of Mechanical Engineers Boiler Construction Code, 1943 Edition including Addenda to 1946 Edition.

(2) One finished cylinder out of each lot, which appears to the inspector to be the least likely to meet the test, shall be selected by the inspector from each lot of 200 or less successively produced and shall be hydrostatically tested to destruction and shall not burst at a pressure less than six times the service pressure.

(3) *Guided bend test.* A bend test specimen shall be cut from the cylinder used for the physical tests specified in paragraph 15 (a). Specimen shall be taken across the seam, shall be 1½ inches wide, edges shall be parallel and rounded with a file, and back-up strip, if used, shall be removed by machining. The specimen shall be bent to refusal in the guided bend test jig illustrated in Appendix to paragraph 22 of Specification 4B effective December 18, 1941 (except that the radius of the male member shall be two times the nominal thickness of the specimen and the radius of the female member shall be three times the nominal thickness of the specimen plus 1/32 inch). The root of the weld (inside surface of the cylinder) shall be located away from the ram of the jig. No specimen shall show a crack exceeding ⅛ inch in any direction upon completion of the test. Should this specimen fail to meet the requirements, two additional specimens from the same cylinder shall be tested, and if either of these fails to meet the requirements, the entire lot represented shall be rejected.

(4) In addition to the guided bend test, a reduced section tension test shall be made transverse to the weld and meet the requirements of paragraph Q–109 of Section IX of the American Society of Mechanical Engineers Boiler Construction Code, 1943 Edition including Addenda to 1946 Edition. Should this specimen fail to meet the requirements, two additional specimens from the same cylinder shall be tested, and if either of these fails to meet the requirements, the entire lot represented shall be rejected.

(g) One finished longitudinal seam shall be selected at random from each lot of 100 or less successively produced and be radiographically examined throughout its length in accordance with subparagraph (h) of paragraph U–68 of the American Society of Mechanical Engineers Unfired Pressure Vessel Code. Should the radiographs fail to meet the requirements two additional seams of the same lot shall be examined, and if either of these fails to meet the requirements the entire lot shall be rejected.

(h) Marking required on each cylinder. By stamping plainly and permanently on shoulder, top head, or neck as follows:

(1) ICC–4B240–FLW.

(2) A serial number and an identifying symbol (letters); location of number to be just below the ICC mark; location of symbol to be just below the number. The symbol and numbers must be those of purchaser, user, or maker. The symbol must be registered with the Bureau of Explosives; duplications unauthorized.

(3) Inspector's official mark near serial number, date of test (such as 12–46

for December 1946), so placed that dates of subsequent test can be easily added.

*It is further ordered,* That this order shall become effective on December 31, 1946, and shall remain in full force and effect until further order of the Commission;

*And it is further ordered,* That a copy of this order shall be served upon all parties of record herein; and notice shall be given to the general public by depositing a copy in the office of the Secretary of the Commission at Washington, D. C., and by filing it with the Director, Division of the Federal Register.

(41 Stat. 1445, 49 Stat. 546, 52 Stat. 1237, 54 Stat. 921, 56 Stat. 176; 18 U. S. C. 383, 49 U. S. C. 304)

By the Commission, Division 3.

[SEAL] W. P. BARTEL, *Secretary.*

[F. R. Doc. 47-406; Filed, Jan. 15, 1947; 8:49 a. m.]

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[S. O. 87, Amdt. 6]

PART 95—CAR SERVICE

SUSPENSION OF DEMURRAGE RULES

At a session of the Interstate Commerce Commission, Division 3, held at its office in Washington, D. C., on the 10th day of January A. D. 1947.

Upon further consideration of Service Order No. 87 (7 F. R. 8066), as amended (7 F. R. 8434; 11 F. R. 4737, 8451; 11 F. R. 12726, 14650), and good cause appearing therefor:

It is ordered, that Service Order No. 87, as amended (codified as § 95.500 CFR), be, and it is hereby, further amended by substituting the following paragraphs (a) and (c) for paragraphs (a) and (c) thereof:

§ 95.500 *Suspension of demurrage rules; Trunk Line Tariff Bureau Tariff No. 139-C I. C. C. No. A-751 coal.* (a) The operation of demurrage rule contained in Trunk Line Tariff Bureau Tariff No. 139-C I. C. C. No. A-751, and supplements thereto or reissues thereof, is hereby suspended, to the extent that the free time allowed on cars loaded with bituminous and cannel coal and the coal products described in said tariff exceeds six days; that the average free time on cars delivered to storage plants for subsequent delivery to vessels exceeds three days; subject to the exception shown below, that the settlement period for the average account exceeds two months; and that the operation of all of the provisions of said tariff inconsistent with this order is hereby suspended.

*Exception.* Any excess debits accruing at any point specified in the above named tariff in the account of any particular consignor or consignee during the settlement period ending at 7:00 a. m., November 1, 1946, which are not offset by credits accruing to the same party during that same period at the same point because sufficient such credits have not accrued to the particular consignor or consignee due to the recently terminated coal miners' strike may be offset by excess credits accruing at the same point to the same consignor or consignee in the settlement period ending at 7:00 a. m., February 1, 1947.

* * * * *

(c) This order, as amended, shall expire at 7:00 a. m., May 1, 1947, unless otherwise modified, changed, suspended or anulled by order of this Commission.

It is further ordered, This amendment shall become effective at 7:00 a. m., January 11, 1947; that a copy of this order and direction be served upon the Association of American Railroads, Car Service Division, as agent of the railroads subscribing to the car service and per diem agreement under the terms of that agreement; and that notice of this order be given to the general public by depositing a copy in the office of the Secretary of the Commission, at Washington, D. C., and by filing it with the Director, Division of the Federal Register.

(40 Stat. 101, sec. 402, 41 Stat. 476, sec. 4, 54 Stat. 901; 49 U. S. C. 1 (10)-(17))

By the Commission.

[SEAL] W. P. BARTEL, *Secretary.*

[F. R. Doc. 47-403; Filed, Jan. 15, 1947; 8:48 a. m.]

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[S. O. 234, Amdt. 3]

PART 95—CAR SERVICE

FREE TIME ON LESS-THAN-CARLOAD FREIGHT AT MEXICAN BORDER POINTS

At a session of the Interstate Commerce Commission, Division 3, held at its office in Washington, D. C., on the 10th day of January A. D. 1947.

Upon further consideration of the provisions of Service Order No. 234 (9 F. R. 11653), as amended (11 F. R. 8452, 10710), and good cause appearing therefor:

It is ordered, that Service Order No. 234, as amended (codified as § 95.234 CFR), be, and it is hereby, further amended by substituting the following paragraph (d) for paragraph (d) thereof:

§ 95.234 *Reduction of free time on less-than-carload freight at Mexican border points.* * * *

(d) This order, as amended, shall expire at 11:59 p. m., June 30, 1947, unless otherwise modified, changed, suspended or annulled by order of this Commission.

It is further ordered, that this amendment shall become effective at 12:01 a. m., January 20, 1947; that a copy of this order and direction be served upon the Association of American Railroads, Car Service Division, as agent of the railroads subscribing to the car service and per diem agreement under the terms of that agreement; and that notice of this order be given to the general public by depositing a copy in the office of the Secretary of the Commission at Washington, D. C., and by filing it with the Director, Division of the Federal Register.

(40 Stat. 101, sec. 402, 41 Stat. 476, sec. 4, 54 Stat. 901, 49 U. S. C. 1 (10-(17))

By the Commission, Division 3.

[SEAL] W. P. BARTEL, *Secretary.*

[F. R. Doc. 47-404; Filed, Jan. 15, 1947; 8:48 a. m.]

# TITLE 47—TELECOMMUNICATION

## Chapter I—Federal Communications Commission

PART 1—ORGANIZATION, PRACTICE AND PROCEDURE

TEMPORARY EXPEDITING PROCEDURE FOR STANDARD BROADCAST APPLICATIONS

CROSS REFERENCE: For public notice of temporary expediting procedure for standard broadcast applications (§ 1.373, 11 F. R. 177A-415, 13973), see F. R. Doc. 47-370 under Federal Communications Commission in the Notices section, *infra.*

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[Order 115-C]

PART 12—RULES GOVERNING AMATEUR RADIO SERVICE

EXTENSION OF AMATEUR RADIO OPERATOR LICENSES

At a meeting of the Federal Communications Commission held at its offices in Washington, D. C., on the 3d day of January 1947;

Whereas the Commission has, by Orders 115 (8 F. R. 7356), 115-A (9 F. R. 14211), 115-B (10 F. R. 14824), 130-F (11 F. R. 4611), adopted between May 25, 1943 and April 7, 1946, reinstated and extended certain amateur operator licenses issued on or between December 7, 1938 and December 7, 1943 so that the expiration dates of those amateur operator licenses fell within the period December 7, 1946 and December 7, 1947, and validated certain amateur station licenses for the term, as extended, of the amateur operator license held by the licensee of the station; and

Whereas it is now desirable to establish a clear and uniform understanding of the status of all amateur operator and station licenses and to eliminate the effects of certain misunderstandings that have occurred in connection with the application of the above-mentioned orders and to provide for the orderly processing of applications for new, renewed, or modified amateur licenses;

*It is ordered,* That all amateur operator licenses issued on or between December 7, 1938 and December 31, 1944, except amateur operator licenses heretofore at any time or hereafter suspended or voluntarily surrendered, are hereby extended, and if expired on or since December 7, 1946 are hereby reinstated and extended, until 1948, at 3 A. M., Eastern Standard Time, the same day and month as the date of issuance.

*It is further ordered,* That all amateur station licenses held by operators whose operator licenses are extended, or reinstated and extended, by this order, except amateur station licenses heretofore at any time or hereafter revoked or voluntarily surrendered, are hereby validated, and if expired on or since December 7, 1946 are hereby reinstated and validated, for the term, as extended, of the operator license held by the licensee of the station;

*It is further found and ordered,* That, whereas, authority for this order is contained in sections 303 (l) and (r) of the

Communications Act of 1934, as amended, and the effect of the order is to extend for an additional period after December 7, 1946 the relief from certain restrictions as has been or now is afforded by Commission Orders 115, 115–A, 115–B and 130–F, and is non-controversial, and it is in the public interest that this order be made effective immediately, notice and public procedure required by section 4 of the Administrative Procedure Act are, hereby, found unnecessary, and this order should be, and is hereby, made effective immediately.

(Secs. 4 (i), 303 (c), 48 Stat. 1068, 1082; 47 U. S. C. 154 (i), 303 (c))

By the Commission.

[SEAL] T. J. SLOWIE, *Secretary.*

[F. R. Doc. 47–371; Filed, Jan. 15, 1947; 8:47 a. m.]

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[Order 130–L]

## PART 12—RULES GOVERNING AMATEUR RADIO SERVICE

### FREQUENCIES AND FREQUENCY BANDS

At a session of the Federal Communications Commission held at its offices in Washington, D. C., on the 2d day of January 1947;

Whereas, by Order No. 130–A,[1] dated November 14, 1945, as amended from time to time, the Commission has made available for use by amateur radio stations certain frequencies and frequency bands and types of emission; and

Whereas, §§ 12.111, 12.114 and 12.116 of the Commission's rules and Commission Order No. 130–A, as amended by Commission Order No. 130–H, allocate the frequency bands of 3500 to 4000 kc with type A1 emission and 3850 to 4000 kc with type A3 emission for use by amateur radio stations, but Footnote 3 to § 12.111 restricts the use of such bands except pursuant and subject to the limitations and restrictions prescribed by Commission orders; and

Whereas, the frequency band 3500 to 3625 kc with type A1 emission is now available for use by amateur radio stations within the Territory of Hawaii, and the frequency bands 3500 to 4000 kc with type A1 emission and 3850 to 4000 with type A3 emission are now available for use by amateur stations within all United States possessions lying west of the Territory of Hawaii to 170° west longitude; and

Whereas, because of possible interference to radio communications transmitted to and from United States military installations in the Western Pacific and Japan, the military authorities of the United States have requested that the use by amateurs, at any amateur station located within the Territory of Hawaii or within any United States possession lying west of the Territory of Hawaii to 170° west longitude, of any frequency in the band between 3500 and 4000 kc be subject to a 500 watt power limitation;

*Now, therefore, it is ordered,* That the second ordering clause of Order No. 130–A, as amended, be, and it is hereby further amended to read as follows:

2. (a) The following frequencies and frequency bands are available for use for amateur station operation, subject to the limitations and restrictions set forth herein:

(1) 3500 to 4000 kc. Use of this band is restricted to amateur radio stations as follows:

(i) 3500 to 4000 kc, using type A1 emission, to those stations located within the continental limits of the United States, the Territory of Alaska, Puerto Rico, and the Virgin Islands; 3850 to 4000 kc, using type A3 emission, to those stations located within the continental limits of the United States, the Territory of Alaska, Puerto Rico, and the Virgin Islands, subject to the further restriction that type A3 emission may be used only by an amateur station which is licensed to an amateur operator holding Class A privileges and then only when operated and controlled by an amateur operator holding Class A privileges;

(ii) 3500 to 4000 kc, using type A–1 emission, to those stations located within the Territory of Hawaii and within all United States possessions lying west of the Territory of Hawaii to 170° west longitude, subject to the further restriction that the power input to the radio stage supplying energy to the antenna shall not exceed 500 watts; 3850 to 4000 kc using type A–3 emission to those stations within the Territory of Hawaii and within all United States possessions lying west of the Territory of Hawaii to 170° west longitude, subject to the further restriction that A3 emission may be used only by an amateur station which is licensed to an amateur operator holding Class A privileges and then only when operated and controlled by an amateur operator holding Class A privileges, and to the further restriction that the power input to the radio stage supplying energy to the antenna shall not exceed 500 watts.

(2) 7,000 to 7,300 kc, using type A1 emission.

(3) 14,000 to 14,400 kc, using type A1 emission, and, on frequencies 14,200 to 14,300 kc, type A3 emission, subject to the restriction that type A3 emission may be used only by an amateur station which is licensed to an amateur operator holding Class A privileges and then only when operated and controlled by an amateur operator holding Class A privileges.

(4) 27.185 to 27.455 Mc, using types A0, A1, A2, A3 and A4 emissions, and also special emissions for frequency modulation (radio-telephone transmissions and radio-telegraph transmissions employing carrier shift or other frequency modulation techniques). This band is subject to use also for operation of scientific, industrial and medical apparatus.

(5) 28.0 to 29.7 Mc, using type A1 emission.

(6) 28.5 to 29.7 Mc, using type A3 emission.

(7) 29.0 to 29.7 Mc, using special emission for frequency modulation (radiotelephone transmissions and radiotelegraph transmissions employing carrier shift or other frequency modulation techniques).

(8) 50.0 to 54.0 Mc, using types A1, A2, A3 and A4 emissions and, on frequencies 52.5 to 54.0 Mc, special emission for frequency modulation (radiotelephone transmissions and radiotelegraph transmissions employing carrier shift or other frequency modulation techniques).

(9) 144 to 148 Mc, using types A0, A1, A2, A3, and A4 emissions and special emissions for frequency modulation (radiotelephone transmissions and radiotelegraph transmissions employing carrier shift or other frequency modulation techniques). The portion of this band between 146.5 and 148 Mc shall not be used, however, by any amateur station located within 50 miles of Washington, D. C., Seattle, Washington, or Honolulu, T. H.

(10) 235 to 240 Mc, using types A0, A1, A2, A3 and A4 emissions and special emissions for frequency modulation (radiotelephone transmissions and radiotelegraph transmissions employing carrier shift or other frequency modulation techniques).

(11) 420 to 430 Mc, using types A0, A1, A2, A3, A4 and A5 emissions, and special emissions for frequency modulation (radiotelephone transmissions and radiotelegraph transmissions employing carrier shift or other frequency modulation techniques). Peak antenna power shall not exceed 50 watts.

(12) 1215 to 1295 Mc, 2300 to 2450 Mc, 3300 to 3500 Mc, 5650 to 5850 Mc, 10,000 to 10,500 Mc, 21,000 to 22,000 Mc, and any frequency or frequencies above 30,000 Mc, using on these frequencies types A0, A1, A2, A3, A4 and A5 emissions, special emissions for frequency modulation (radiotelephone transmissions and radiotelegraph transmissions employing carrier shift or other frequency modulation techniques), and pulse emissions.

(b) No frequencies or types of emission other than those assigned in this order shall be used for amateur operation.

*It is further found and ordered,* That, whereas, authority for the release of frequencies as specified in subparagraph 2 (a) (1) (ii) of Order 130–A, as hereby amended, is contained in sections 303 (b), (c) and (r) of the Communications Act of 1934, as amended, and such release relieves an existing restriction, is non-controversial and in the public interest, and whereas, authority to impose a 500 watt power limitation on amateur stations located within the Territory of Hawaii and within United States possessions lying west of the Territory of Hawaii to 170° west longitude is contained in sections 303 (b), (c) and (r) of the Communications Act of 1934, as amended, and such power limitation is imposed at the request of United States military authorities to prevent possible interference to radio communications transmitted to and from United States military installations in the Western Pacific and Japan, notice and public procedure required by section 4 of the Administrative Procedure Act, are, hereby found unnecessary and this order should be, and is hereby, made effective at 3 a. m., e. s. t., January 3, 1947.

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[1] 10 F. R. 14343, 11 F. R. 1218, 2257, 3158, 3692, 4611, 5545, 7685, 11207, 13527, 13976.

(Secs. 4 (i), 303 (c), 48 Stat. 1068, 1082; 47 U. S. C. 154 (i), 303 (c))

By the Commission.

[SEAL] T. J. SLOWIE, *Secretary.*

[F. R. Doc. 47-372; Filed, Jan. 15, 1947; 8:47 a. m.]

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PART 35—UNIFORM SYSTEM OF ACCOUNTS FOR WIRE-TELEGRAPH AND OCEAN-CABLE CARRIERS [1]

At a session of the Federal Communications Commission held at its offices in Washington, D. C. on the 17th day of December 1946;

It appearing, that it is necessary and desirable to amend Part 35 of the Commission's rules and regulations so as to simplify the accounting prescribed in said Part 35 by providing a list of retirement units for outside plant of wire-telegraph and ocean-cable carriers (see § 35.1-6-1);

It further appearing, that all persons subject to Part 35 of the Commission's rules and regulations have been given notice of the proposed amendment thereof and have been afforded an opportunity to comment thereon, and that no adverse comments have been received with respect thereto;

It further appearing, that, for the foregoing reasons, general notice of proposed rule making and public procedure thereon as provided in section 4 (a) of the Administrative Procedure Act is unnecessary with respect to the foregoing proposed amendment;

*It is ordered*, That, pursuant to section 220 (a) and (g) of the Communications Act of 1934, as amended, Part 35 of the Commission's rules and regulations be, and it is hereby, amended effective as of July 1, 1947: *Provided, however*, That any carrier affected thereby may effect the adoption of said list of retirement units in its accounting procedures at any earlier date.

Part 35, as amended by the addition of a list of retirement units (§ 35.1-6-1), reads as follows:

APPLICABILITY


Sec.
35.01-1 Carriers subject to this system of accounts.
35.01-2 Classification of carriers.
35.01-3 Determination of class.
35.01-4 Effective date.


DEFINITIONS


35.02-1 Restrictive use of certain terms.


INSTRUCTIONS; GENERAL


35.03-1 Classes of records.
35.03-2 Basis of entries in books of account.
35.03-3 Records supporting accounting entries.
35.03-4 Transactions with affiliates.
35.03-5 Summary accounts, subaccounts, aditional clearing accounts, and temporary or experimental accounts.
35.03-6 Transferring balances from accounts previously maintained.
35.03-7 Charges to be just and reasonable.
35.03-8 Entries involving telephone or radiotelegraph service.
35.03-9 Sequence of accounts.
35.03-10 Preliminary investigations and research.
35.03-11 Interpretation of the prescribed accounting.
35.03-12 Interpretation of item lists.
35.03-13 Delayed items.
35.03-14 Unaudited items.
35.03-15 Unusual items.
35.03-16 Transactions involving foreign currency.
35.03-17 Apportioning amounts among accounts.
35.03-18 Transactions involving joint operations.
35.03-19 Transactions involving interchange of traffic.
35.03-20 Commissions.
35.03-21 Transactions involving leased property.


INSTRUCTIONS; DEPRECIATION ACCOUNTING


35.04-1 Classes of depreciable operated plant.
35.04-2 Computation of depreciation rates.
35.04-3 Depreciation charges.
35.04-4 Extraordinary retirements.


INSTRUCTIONS FOR CLASS B CARRIERS


35.05-1 Primary operating-revenue accounts for class B carriers.
35.05-2 Primary operating-expense accounts for class B carriers.


REPORTING REQUIREMENTS


35.06-1 Provisions that require the specific approval of the Commission before the accounting is performed.
35.06-2 Provisions that require certain special reports to be filed.


BALANCE-SHEET ACCOUNTS

INSTRUCTIONS


35.10-1 Purpose of balance-sheet accounts.
35.10-2 Current assets.
35.10-3 Prepayments.
35.10-4 Deferred charges.
35.10-5 Current liabilities.
35.10-6 Long-term debt.
35.10-7 Book cost of securities owned.
35.10-8 Exchange of securities.
35.10-9 Capital stock.
35.10-10 Surplus.
35.10-11 Provisions for future settlements.
35.10-12 Deferred credits.
35.10-13 Discount, expense, and premium capital stock.
35.10-14 Discount, expense, and premium on long-term debt.
35.10-15 Irrevocable trusts.
35.10-16 Contingent assets and liabilities.
35.10-17 Nominally issued securities.
35.10-99 Contemplated form of balance sheet.


PRESCRIBED ACCOUNTS

*Communication Plant*


35.1000 Operated plant in carrier's service.
35.1100 Operated plant leased to others.
35.1200 Improvements and replacements of operated plant leased from others.
35.1300 Plant under construction.
35.1400 Plant held for future communication use.
35.1510 Plant-acquisition adjustment.
35.1515 Allowance for depreciation, wire-telegraph and ocean-cable plant.
35.1520 Allowance for amortization; wire-telegraph and ocean-cable plant.
35.1530 Telephone and radiotelegraph plant.
35.1535 Allowance for depreciation and amortization; telephone and radiotelegraph plant.
35.1540 Plant in process of reclassification.
35.1545 Plant adjustments.
35.1599 Foreign investment in communication plant.


*Investments and Funds*


35.1610 Miscellaneous physical property.
35.1615 Allowance for depreciation; Miscellaneous physical property.
35.1620 Investments in affiliates.
35.1629 Other investments.
35.1630 Debt-redemption funds.
35.1635 Employees' provident funds
35.1640 Insurance funds.
35.1645 Miscellaneous funds held by trustees.
35.1659 Other miscellaneous funds.
35.1698 Amortized discount and premium on investment securities.
35.1699 Allowance for doubtful investments.


*Current Assets*


35.1710 Cash.
35.1715 Special cash deposits.
35.1720 Working cash advances.
35.1725 Temporary investments.
35.1730 Receivable from customers.
35.1742 Traffic settlements receivable from affiliates.
35.1749 Other receivables from affiliates.


Receivables From Nonaffiliates


35.1751 Notes receivable.
35.1752 Traffic settlements receivable.
35.1753 Matured interest receivable.
35.1754 Declared dividends receivable.
35.1755 Matured rents receivable.
35.1759 Other accounts receivable.
35.1765 Allowance for uncollectible receivables.
35.1770 Unmatured accrued receivables.
35.1775 Subscriptions to capital stock.
35.1780 Deposits on subscriptions to capital stock.
35.1785 Subscriptions to bonds.
35.1790 Deposits on subscriptions to bonds.
35.1795 Material and supplies.
35.1799 Other current assets.


*Prepayments*


35.1810 Prepaid insurance.
35.1815 Prepaid rents.
35.1820 Prepaid taxes.
35.1899 Other prepayments.


*Deferred Charges*


35.1910 Extraordinary maintenance, depreciation, and retirements.
35.1915 Capital-stock expense.
35.1920 Long-term debt expense.
35.1925 Discount on capital stock.
35.1930 Unamortized discount on debt.
35.1935 Preliminary survey and investigation charges.
35.1940 Debit balances in clearing accounts.
35.1999 Other deferred charges.


*Long-Term Debt*


35.2010 Bonds actually issued.
35.2015 Bonds reacquired.
35.2020 Bonds subscribed—Unissued.
35.2025 Receivers' and trustees' securities.
35.2030 Advances from affiliates.
35.2099 Other long-term debt.


*Current Liabilities*


35.2101 Unpaid wages.
35.2111 Liability for tax collections.
35.2113 Unpaid money-orders.
35.2115 Customers' deposits.
35.2120 Matured long-term debt.
35.2122 Traffic settlements payable to affiliates.
35.2129 Other payables to affiliates.


Payable to Nonaffiliates


35.2131 Notes payable.
35.2132 Traffic settlements payable.
35.2133 Matured interest payable.
35.2134 Dividends payable.
35.2135 Matured rents payable.
35.2139 Other accounts payable.


[1] The numerical sequence of sections in this part follows the established sequence of accounts prescribed thereby.

Sec.
35.2155 Advance billings.
35.2160 Liability on installment-plan sales of capital stock.

Liability Accruals

35.2164 Dividends declared.
35.2165 Interest accruals.
35.2170 Rent accruals.
35.2175 Tax accruals.
35.2180 Other liability accruals.
35.2199 Other current liabilities.

*Provisions for Future Settlements*

35.2210 Provisions for employees' pensions and welfare.
35.2215 Provisions for self-carried insurance.
35.2220 Provisions for equalization of maintenance expenses.
35.2225 Provisions for depreciation and replacement of operated plant leased from others.
35.2230 Leased operated plant retired.
35.2299 Other provisions for future settlements.

*Deferred Credits*

35.2310 Unamortized premium on debt.
35.2315 Advances for construction.
35.2320 Credit balances in clearing accounts.
35.2399 Other deferred credits.

*Capital Stock*

35.2410 Capital stock issued.
35.2415 Capital stock reacquired.
35.2420 Capital stock subscribed; unissued.
35.2425 Obligations for stock conversion.

*Capital Surplus*

35.2510 Premiums and assessments on capital stock.
35.2515 Contributions of plant.
35.2599 Other capital surplus.

*Earned Surplus*

35.2610 Contractual reserves.
35.2615 Reserve against impairment of stated capital.
35.2620 Miscellaneous reserves.
35.2699 Unappropriated earned surplus.

OPERATED PLANT ACCOUNTS

INSTRUCTIONS

35.1–1 Purpose and content of operated plant accounts.
35.1–2 Accounting for plant acquisitions.
35.1–3 Components of construction costs.
35.1–4 Overhead construction costs.
35.1–5 Expenditures on operated plant leased from others.
35.1–6 Additions, retirements, and replacements of operated plant.
35.1–7 Transfers of plant.
35.1–8 Continuous property-record required.
35.1–99 Contemplated form of plant statement.

PRESCRIBED ACCOUNTS

*Real Estate*

35.11 Land used for right of way.
35.12 Land used for building sites.
35.13 Land used for other operations.
35.14 Land improvements.
35.15 Buildings.

*Outside Communication Lines*

35.21 Poles.
35.22 Aerial wire.
35.23 Aerial cable.
35.24 Underground cable.
35.25 Buried cable.
35.26 Submarine cable.
35.27 House cable.
35.28 Underground conduit.
35.29 Pneumatic tubes.
35.31 Ocean cable.

*Inside Communication Plant*

Sec.
35.41 Message transmitting and receiving equipment.
35.42 Repeater and terminal equipment.
35.43 Switchboards and distributing frames.
35.44 Pneumatic-tube and conveyer equipment.
35.45 Power equipment.
35.46 Messenger call-circuit equipment.
35.47 Time-service equipment.
35.48 Ticker and commercial news service equipment.
35.49 Office cable and conduit.
35.51 Equipment furnished customers.
35.59 Other inside communication plant.

*Office and Messenger Equipment*

35.61 Furniture and office appliances.
35.65 Messenger uniforms.
35.69 Other office and messenger equipment.

*Work Equipment*

35.71 Vehicles.
35.72 Shop equipment.
35.73 Store and warehouse equipment.
35.74 Tools and implements.
35.75 Floating equipment.
35.76 Railway equipment.
35.77 Emergency facilities.
35.78 Laboratory equipment.

*Intangibles*

35.81 Organization.
35.82 Franchises.
35.83 Patent rights.
35.84 Leaseholds.
35.85 Research and development.
35.89 Other intangibles.

*Other Plant Accounts*

35.91 Plant acquired; undistributed charges.
35.92 Plant sold; undistributed credits.

INCOME AND EARNED-SURPLUS ACCOUNTS

INSTRUCTIONS

35.30–1 Purpose of income accounts.
35.30–2 Income from debt-redemption and other funds.
35.30–3 Rents includible in income accounts.
35.30–4 Disposition of balances in income accounts.
35.30–5 Purpose of earned-surplus accounts.
35.30–6 Disposition of balances in earned-surplus accounts.
35.30–99 Contemplated form of income and earned-surplus statement.

INCOME ACCOUNTS

*Ordinary Income; Communication*

35.3000 Operating revenues.
35.3710 Foreign exchange; revenue differential.

Operating-Revenue Deductions

35.4000 Operating expenses.
35.4910 Depreciation.
35.4915 Amortization; intangible operated plant.
35.4920 Amortization of plant-acquisition adjustments.
35.4925 Extraordinary plant losses.
35.4931 Social security taxes; operating.
35.4932 Other taxes; operating.
35.4935 Uncollectible revenues.
35.4945 Telephone and radiotelegraph operating-revenue deductions.
35.4950 Revenue-contract payments.
35.4998 Foreign exchange; expense differential.
35.4999 Other operating-revenue deductions.

Other Communication Income

Sec.
35.5010 Income from operated plant leased to others.
35.5015 Income from telephone and radiotelegraph plant leased to others.
35.5020 Profit from general services, licenses, and royalties.
35.5089 Income from foreign operations.
35.5099 Other communication income.

*Ordinary Income; Noncommunication*

35.5110 Income from miscellaneous physical property.
35.5115 Income from merchandising, jobbing, and contracting.
35.5120 Dividend income.
35.5125 Interest income.
35.5135 Income from debt-redemption and other funds.
35.5140 Gain or loss on foreign currency exchange.
35.5199 Other noncommunication income.

*Deductions from Ordinary Income*

35.5205 Rent for lease of operated plant.
35.5210 Interest on long-term debt.
35.5215 Interest on indebtedness to affiliates.
35.5220 Amortization of debt discount.
35.5225 Interest charged to construction—Cr.
35.5230 Amortization of debt premium—Cr.
35.5233 Interest on past-due tax assessments.
35.5235 Other interest charges.
35.5240 Taxes assumed on interest.
35.5245 Amortization of debt expense.
35.5250 Miscellaneous taxes.
35.5255 Amortization of plant-acquisition adjustments.
35.5260 Revenue-contract payments.
35.5298 Foreign exchange—Income differential.
35.5299 Other deductions from ordinary income.

*Extraordinary Income*

35.6110 Extraordinary current income credits.
35.6120 Extraordinary current income charges.
35.6210 Delayed income credits.
35.6220 Delayed income charges.

*Deductions From Net Income*

35.7010 Income taxes.
35.7099 Other deductions from net income.

EARNED-SURPLUS ACCOUNTS

*Earned Surplus; Credits*

35.8110 Balance transferred from income accounts.
35.8199 Miscellaneous credits to earned surplus.

*Earned Surplus; Charges*

35.8299 Miscellaneous charges to earned surplus.
35.8310 Contractual appropriations of earned surplus.
35.8315 Earned surplus employed in reacquisition of capital stock.
35.8320 Miscellaneous appropriations of earned surplus.
35.8399 Divided appropriations of earned surplus.

OPERATING-REVENUE ACCOUNTS

INSTRUCTIONS

35.31–1 Purpose of operating-revenue accounts.
35.31–2 Basis of credits to the operating-revenue accounts.
35.31–3 Divisions of operating revenues.
35.31–4 Services furnished without direct charge.

Sec.
35.31–5 Preparation for allocation of wire-telegraph revenues to continental communication and to foreign communication (under domestic-service classification).
35.31–6 Preparation for allocation of ocean-cable revenues to foreign communication and to insular communication.
35.31–99 Contemplated form of operating-revenue statement.

PRESCRIBED ACCOUNTS

*Wire-Telegraph Transmission Revenues*

35.3110 Public message revenue.
35.3115 United States government message revenue.
35.3125 Press message revenue.
35.3130 Money-order message revenue.
35.3135 News (CND) service revenue.
35.3140 Contract (CAK) message revenue.
35.3145 Facsimile or photogram service revenue.
35.3155 Telephone service revenue.
35.3160 Wire-telegraph revenue on cable and radio messages.
35.3199 Other wire-telegraph transmission revenues.

*Ocean-Cable Transmission Revenues*

35.3210 Public message revenue.
35.3215 United States government message revenue.
35.3220 Other governments message revenue.
35.3225 Press message revenue.
35.3230 Money-order message revenue.
35.3235 News (CND) service revenue.
35.3245 Facsimile or photogram service revenue.
35.3255 Telephone service revenue.
35.3299 Other ocean-cable transmission revenues.

*Terminal Commission Revenues*

35.3350 Terminal commissions.

*Wire-Telegraph Nontransmission Revenues*

35.3410 Leased-circuit revenue.
35.3415 Measured-service revenue.
35.3420 Other leased-plant revenue.
35.3425 Code-registration revenue.
35.3430 Errand-service revenue.
35.3435 Money-order charges.
35.3440 Time-service revenue.
35.3499 Other wire-telegraph nontransmission revenues.

*Ocean-Cable Nontransmission Revenues*

35.3510 Leased-circuit revenue.
35.3515 Measured-service revenue.
35.3520 Other leased-plant revenue.
35.3525 Code-registration revenue.
35.3530 Errand-service revenue.
35.3535 Money-order charges.
35.3540 Time-service revenue.
35.3599 Other ocean-cable nontransmission revenues.

*Other Telecommunication Revenues*

35.3610 Telephone revenue; telephone systems.
35.3625 Radiotelegraph revenue; radiotelegraph systems.

OPERATING-EXPENSE ACCOUNTS

INSTRUCTIONS

35.41–1 Purpose of operating-expense accounts.
35.41–2 Basis of charges to the operating-expense accounts.
35.41–3 Operating expenses applicable to leased plant.
35.41–4 Subdivisions of operating-expense accounts.
35.41–5 Supervision and engineering.
35.41–6 Expenses of holding or servicing departments.
35.41–7 Maintenance expenses.
35.41–99 Contemplated form of operating-expense statement.

PRESCRIBED ACCOUNTS

*Maintenance Expenses*

35.4110 Testing and regulating.
35.4120 Maintenance of inside plant.
35.4130 Maintenance of aerial plant.
35.4140 Maintenance of underground plant.
35.4150 Maintenance of real estate.
35.4160 Maintenance of ocean cable.
35.4180 Maintenance-expense equalization.
35.4199 Other maintenance expenses.

*Conducting-Operations Expenses*

35.4211 Supervision of operations.
35.4212 Wages of operators.
35.4213 Wages of operating-office clerks.
35.4214 Wages of solicitors.
35.4215 Wages of messengers.
35.4219 Wages of other operating-office employees.
35.4221 Field-supervision expense.
35.4223 Advertising and soliciting expense.
35.4231 Messenger-uniform expense.
35.4239 Other messenger expense.
35.4240 Operating power.
35.4251 House service; operating offices.
35.4255 Postage and stationery; operating offices.
35.4259 Other supplies; operating offices.
35.4261 Rents for operating offices.
35.4269 Rents for other facilities.
35.4271 Telephone company service.
35.4273 Terminal commission charges.
35.4275 Terminal commissions; expense credit.
35.4279 Obtaining news (CND) services.
35.4281 Traffic-damage awards.
35.4285 Traffic-damage expense.
35.4291 Rest and lunch rooms.
35.4295 Employment and training.
35.4299 Other conducting-operations expenses.

*General Expenses*

35.4311 Legal services.
35.4315 General services, licenses, and royalties—Dr.
35.4317 General services, licenses, and royalties—Cr.
35.4321 Insurance.
35.4323 Workmen's compensation.
35.4325 Injuries and damages.
35.4327 Relief and pensions.
35.4341 Franchise requirements.
35.4399 Other general expenses.

*Administrative Expenses*

35.4410 Salaries of general officers and executives.
35.4420 Salaries of general office employees.
35.4430 Expenses of general officers and general office employees.
35.4499 Other administrative expenses.

CLEARING ACCOUNTS

INSTRUCTIONS

35.90–1 Purpose of clearing accounts.
35.90–2 Disposition of balances in clearing accounts.
35.90–3 Subdivisions of clearing accounts.

PRESCRIBED ACCOUNTS

35.9011 Research and development clearing account.
35.9012 Vehicle clearing account.
35.9013 Shop clearing account.
35.9014 Tool and implement clearing account.
35.9015 Plant-supervision clearing account.
35.9016 Supply clearing account.
35.9017 House-service clearing account.
35.9018 Floating-equipment clearing account.
35.9019 Railway-equipment clearing account.

RETIREMENT UNITS

35.1–6–1 List of units to be used in connection with the accounting provided in § 35.1–6.

NOTE: In preparing this compilation, the Commission has had in mind the necessity for an arrangement which would make the rules conveniently accessible and one which would also make provision for future amendments. To this end all the existing rules have been logically arranged under 32 parts, which have been suitably subdivided, employing nonconsecutive part numbers from 1 to 65, making provision for substitution and additions.

This system of accounts (Part 35 of the Commission's rules and regulations) supersedes §§ 35.01–0 to 35.709, inclusive, previously published under this part number in the Code of Federal Regulations. Neither the superseded sections nor this system of accounts purports to provide for a complete comparative evaluation of the benefits extended and received under reciprocal agreements with railroad companies and others.

The several section numbers indicate the relationship among the instructions and accounts of Part 35, as follows:

*Examples:*
(1) § 35.01–1.
(2) § 35.10–1.
(3) § 35.1–2.
(4) § 35.1000.
(5) § 35.11.
(6) § 35.1515.

*Explanation:*

The number "35" (appearing to the left of the decimal point) indicates the part number.

The dash (—) indicates an instruction that is applicable to several accounts. (See examples (1), (2), and (3).)

With the exception of the instructions that are applicable to more than one group of accounts (which are indicated by a zero following the decimal point), the number between the decimal point and the dash indicates the group of accounts to which the instruction is applicable by the use of a mnemonic method of indication consisting of the first two digits of the first account in a group composed of four-digit account numbers, and the first digit of the first account in a group composed of two-digit account numbers (applicable only to the plant accounts in this system of accounts). Thus, in the foregoing examples:

Section 35.01–1 refers to several groups of accounts;

Section 35.10–1 refers to the balance-sheet accounts (beginning with account 1000);

Section 35.1–2 refers to the plant accounts (beginning with account 11).

When no dash appears in the section number, the number to the right of the decimal point is an account number. (See examples (4), (5), and (6).) A colon (:) indicates the subdivision of an account, the number to the right of the colon being the subaccount number. Where references throughout the regulations are to an account, as such, only the account number is used.

APPLICABILITY

§ 35.01–1 *Carriers subject to this system of accounts.* This system of accounts applies to carriers engaged primarily in furnishing wire-telegraph or ocean-cable service. (See also § 35.03–8.)

§ 35.01–2 *Classification of carriers.* (a) For the purpose of applying this system of accounts wire-telegraph and ocean-cable carriers are divided into two classes, as follows:

*Class A.* Carriers having average annual operating revenues exceeding $100,000. Such carriers shall keep all the accounts that are applicable to their affairs.

*Class B.* Carriers having average annual operating revenues exceeding $50,000, but not exceeding $100,000. Such carriers shall keep all the accounts that are applicable to their affairs, except that their accounts for operating revenues and operating expenses may be kept under the condensed primary classifications provided in §§ 35.05–1 and 35.05–2.

(b) Carriers having average annual operating revenues not exceeding $50,000 may (but are not required to) keep the accounts prescribed in this system of accounts.

§ 35.01–3 *Determination of class.* (a) The class to which any carrier belongs shall be determined by the average of its annual operating revenues for the 3 years immediately preceding the effective date of this system of accounts. If at the close of any subsequent calendar year the average of its annual operating revenues for the latest 3 years is greater than the amount applicable to the class in which the carrier has been previously includible, the accounts applicable to the higher class shall be adopted.

(b) Carriers not engaged in furnishing wire-telegraph or ocean-cable service over the 3-year period immediately preceding the effective date of this system of accounts shall estimate the amount of their annual operating revenues and shall keep the accounts applicable to carriers having actual revenues in the amount estimated.

§ 35.01–4 *Effective date.* The effective date of this system of accounts shall be extended to January 1, 1943: *Provided, however,* That the carriers to which this system of accounts is applicable shall continue to pursue with all possible diligence the major studies essential to providing accounting consistent with this system of accounts, particularly with respect to (1) the determination of original cost, (2) leased property, and (3) depreciation; and each such carrier shall advise the Commission promptly of any definite determination resulting from such studies to the end that appropriate adjustment may be made irrespective of the effective date of this system of accounts.

DEFINITIONS

§ 35.02–1 *Restrictive use of certain terms.* When used in this system of accounts, unless otherwise indicated, the term or expression:

"Accounts" or "these accounts" means the accounts prescribed in "this system of accounts."

"Acquisition cost" means the amount of money actually paid (or the then current money value of any consideration other than money given) by the "carrier" for property, including the preliminary expenses incurred in connection with the acquisition.

"Act" or "the act" means the Communications Act of 1934 as amended.

"Actually issued," as applied to securities issued or assumed by the "carrier," means (1) those securities that have been sold to bona-fide purchasers for a valuable consideration (including those issued in exchange for other securities or other property), (2) those that have been issued in accordance with contractual requirements directly to trustees of debt-redemption and other funds, and (3) those that have been issued in payment of dividends on stock.

"Actually outstanding," as applied to securities issued or assumed by the "carrier," means those securities that have been "actually issued" and are neither retired nor held by or for the "carrier": *Provided, however,* That securities held by trustees of debt-redemption and other funds shall be regarded and treated as actually outstanding.

"Affiliate" means (and "affiliated" relates to) a "person" that, directly, or indirectly through one or more intermediaries, "controls," is "controlled by," or is "under common control with," the "carrier."

"Amortization" means the gradual extinguishment of an amount in an account by prorating such amount over a fixed period.

"Book amount," as applied to securities issued or assumed by the "carrier," means (1) the amount duly authorized for inclusion in account 2410, "Capital stock issued," for stock having no par value, and (2) the "face amount" of all other securities.

"Book cost" means the amount at which property is recorded in an account without the deduction of amounts in related or other accounts.

"Carrier" means the accounting carrier.

"Class," as applied to depreciable plant (see § 35.04–1), means that portion of the total plant that is represented by a single primary plant account.

"Commission" means the Federal Communications Commission.

"Communication" or "communication service" means the "transmission" of writing, signs, signals, pictures, and sounds of all kinds, by aid of wire, cable, or radio, between the point of origin and the point of reception of such "transmission," including all instrumentalities, facilities, apparatus, and services (among other things, the receiving, forwarding, and delivery of communications) incidental to such "transmission."

"Compensation," as applied to officers and employees, means salaries, wages, commissions, bonuses, and other remuneration (such as subsistence furnished in lieu of wages) for services.

"Continental communication" means "communication" when both the point of origin and the point of destination are located within the "continental United States."

"Continental United States" means the several States of the United States, the District of Columbia, and the Territory of Alaska.

"Contingent asset" means an item representing a possible source of value to the "carrier" dependent upon the fulfillment of conditions regarded as uncertain.

"Contingent liability" means an item representing a possible source of obligation of the "carrier" dependent upon the fulfillment of conditions regarded as uncertain.

"Control" means (and the terms "controlling," "controlled by," and "under common control with" relate to) the direct or indirect possession of the power (including the veto power) to direct or to cause the direction of the management, important acts, and policies of a "person," whether such power is exercised through one or more intermediary "persons," or alone, or in conjunction with, or pursuant to an agreement with, one or more other "persons," and whether such power is established through a majority or a minority ownership or voting of securities, common directors, officers, or stockholders, voting trusts, holding trusts, affiliates, contracts, or any other direct or indirect means. "Control" shall not be viewed as altered by a new status of any "person" that may be occasioned by pending proceedings in bankruptcy or by any situation of receivership, trusteeship, or fiduciary relationship resulting from proceedings of a like nature.

"Cost," as applied to plant, means the "original cost" of plant acquired from predecessors as substantially complete operating systems or operating units and the "acquisition cost" of all other plant. Except as applied to plant, "cost" means the amount of money actually paid (or the then current money value of any consideration other than money given) by the "carrier" for property or services.

"Cost of removal" means the cost of demolishing, dismantling, tearing down, or otherwise removing plant, including the cost of transportation and handling incidental thereto.

"Date of installation," as applied to plant acquired from predecessors as substantially complete operating systems or operating units, means the date at which such plant was first dedicated to public use. As applied to all other plant, the term means the date at which such plant was placed in "communication service" by the "carrier."

"Date of retirement" means the date at which plant is retired from "communication service."

"Debt expense" means all expenses incurred by or for the "carrier" in connection with the issuance and sale of evidences of debt (exclusive of the sale of reacquired securities), such as fees for drafting mortgages and trust deeds; fees and taxes for issuing or recording evidences of debt; cost of engraving and printing bonds, certificates of indebtedness, and other commercial paper; specific costs of obtaining governmental authority for issuance and filing notices thereunder; fees for legal services; fees and commissions paid underwriters, brokers and salesmen for marketing such evidences of debt; fees and expenses of listing on exchanges; and other like costs.

"Delayed items" means items relating to transactions that occured during a prior calendar year and require further accounting treatment for a true statement. It includes adjustments of errors in the operating-revenue, operating-expense, and other income accounts for prior years.

"Depreciation," as applied to depreciable "operated plant," means the loss in "service value" not restored by current maintenance, incurred in connection with the consumption or prospective "retirement" of such plant in the course of

service from causes known to be in current operation against which the "carrier" is not protected by insurance and the effect of which can be forecast with a reasonable approach to accuracy. Among the causes to be given consideration are wear and tear, decay, action of the elements, obsolescence, inadequacy, changes in the art, changes in demand, and requirements of public authorities.

"Discount," as applied to securities issued or assumed by the "carrier," means the excess of (1) the "book amount" of the securities over (2) the then current money value of the consideration received from their sale less the amount included therein for interest accrued or for dividends.

"Face amount," as applied to securities issued or assumed by the "carrier," means the amount of principal of indebtedness, or par value of stock, as set forth in the documents themselves.

"Foreign communication" means "communication" when either the point of origin or the point of destination is located without the "United States."

"Includible" means properly includible under the provisions of "this system of accounts."

"Insular communication" means "communication" between the insular territories or possessions of the United States (excluding the Philippine Islands and the Canal Zone) and the "continental United States," or among the insular territories or possessions of the United States (excluding the Philippine Islands and the Canal Zone).

"Investment advances" means advances, represented by notes or by book accounts only, which it is mutually agreed or intended between the creditor and the debtor shall be settled by the issuance of capital stock or evidences of long-term debt, or shall not be subject to current settlement. Advances with respect to which amounts have been, or will be, included in the current accounts for more than one year will be considered not subject to current settlement.

"Matured" means due and payable (or receivable) as at a date not later than the first day following the date of the balance sheet.

"Minor items," as applied to plant, means those quantities of depreciable "operated plant" not designated as "retirement units" in § 35.1–6–1.

"Mobile communication" means "communication" when either the point of origin or the point of destination is located on aircraft, on a ship, or on a land vehicle regularly used in "communication service."

"Net book cost," as applied to all, or to a specific portion of plant, means the "book cost" minus the recorded depreciation (or amortization) allowance that is assignable thereto.

"Net salvage value" means the "salvage value" of "plant retired" after deducting the "cost of removal" incidental to its "retirement."

"Nominally issued," as applied to securities issued or assumed by the "carrier," means those securities that have been signed, certified, or otherwise executed, and placed with the proper officer for sale and delivery, or pledged or otherwise placed in some special fund of the "carrier," but have not been sold or issued directly to trustees of debt-redemption or other funds in accordance with contractual requirements.

"Nominally outstanding," as applied to securities issued or assumed by the "carrier," means those "actually issued" securities that have been reacquired by or for the "carrier" under circumstances that prohibit considering them retired: *Provided, however,* That securities held by trustees of debt-redemption or other funds shall be regarded and treated as "actually outstanding."

"Ocean-cable plant" means plant used or useful in furnishing "ocean-cable service."

"Ocean-cable service" means record "communication service" furnished prevailingly by means of transoceanic-type cable and associated facilities located at ocean-cable termini, as well as incidental services so intimately related to such "communication service" as to make impracticable the determination of the extent to which the use of plant or the operating income, revenues, or expenses are applicable to such incidental services.

"Operated plant" means the physical plant used in "wire-telegraph service" and "ocean-cable service" together with the associated intangible items.

"Original cost," as applied to plant, means the actual money cost of (or the then current money value of any consideration other than money given for) property at the time it was first dedicated to the public use, whether by the "carrier" or by any other "person."

"Person" means an individual, a corporation, a partnership, an association, a joint-stock company, a business trust, or any other organized group, or any receiver or trustee.

"Plant retired" means plant that has been removed, sold, abandoned, destroyed, or for any cause withdrawn from "communication service."

"Premium," as applied to securities or assumed by the "carrier," means the excess of (1) the then current money value of the consideration received from their sale, less the amount included therein for interest accrued or for dividends, over (2) their "book amount."

"Primary account" means (1) any account the name or title of which appears in the table of contents of "this system of accounts" or (2) any additional clearing account or experimental account optionally maintained pursuant to the provisions of § 35.03–5.

"Replacement" means the construction or installation of plant in place of "plant retired."

"Retirement." (See "plant retired.")

"Retirement units" means the quantities of depreciable "operated plant" listed in § 35.1–6–1.

"Salvage value" means the amount received for "plant retired," if sold, less any expenses incurred in connection with such sale or in preparing the property for sale; or, if retained, the amount at which the material recovered is chargeable to account 1795, "Material and supplies," or other appropriate account.

"Service life" means the period between the "date of installation" of plant and the "date of retirement" thereof.

"Service value" means the difference between the "cost" of plant and its "net salvage value."

"Stock expense" means all expenses incurred by or for the "carrier" in connection with the issuance and sale of capital stock (exclusive of the sale of reacquired capital stock), such as fees and commissions paid to promoters, underwriters, brokers, and salesmen; fees for legal services; cost of soliciting subscriptions for capital stock, including fees, commissions, and advertising; specific costs of obtaining governmental authority for issuance and filing notices thereunder; fees and taxes for issuance of capital stock and listing on exchanges; and the cost of preparing, engraving, printing, issuing, and distributing prospectuses and stock certificates.

"Straight-line method," as applied to "depreciation" accounting, means the plan under which the "service value" of depreciable "operated plant" is charged to depreciation, clearing, and other accounts and credited to the depreciation-allowance account through equal annual charges (as nearly as may be) during its "service life."

"Subclass," as applied to depreciable plant (§ 35.04–1), means that portion of a "class" of plant, preferably corresponding to one or more "subprimary" plant accounts, to the cost of which a specific percentage rate of depreciation is applied in accounting for "depreciation," which percentage rate differs from those that are applied with respect to other "subclasses" of the same "class" of such plant.

"Subprimary account" or "subaccount" means any account, required or permitted by "this system of accounts," the balance in which, if combined with the balances in all the other accounts subprimary to the same account, will produce the balance in that "primary account."

"System of accounts" or "this system of accounts" means the rules embodied in this part.

"Transmission" means the movement of "communication." It includes the receiving, forwarding, and delivery of communications.

"United States" means the several States and Territories, the District of Columbia, and the possessions of the United States, but does not include the Philippine Islands or the Canal Zone.

"Wire-telegraph plant" means plant used or useful in furnishing "wire-telegraph service."

"Wire-telegraph service" means record "communication service" furnished prevailingly by means of metallic conductors and associated terminal facilities (excluding "ocean-cable plant"), as well as incidental services so intimately related to such "communication service" as to make impracticable the determination of the extent to which the use of plant or the operating income, revenues, or expenses are applicable to such incidental services.

INSTRUCTIONS; GENERAL

§ 35.03–1 *Classes of records.* (a) The records to be maintained in accordance with the provisions of this system of accounts are divided into two classes: viz, (1) books of account, containing the primary and subprimary accounts defined in § 35.02–1, and (2) supporting records. (See also §§ 35.03–2 and 35.03–3.)

(b) All records are to be retained permanently except as otherwise provided in Part 42 (Destruction of Records) of this chapter.

§ 35.03–2 *Basis of entries in books of account.* (a) Amounts entered in the books of account shall be in denominations of United States currency. When subsidiary records are kept in which entries are made in terms of foreign currencies, the translation to terms of United States currency for entry in the books of account shall be effected as prescribed in § 35.03–16.

(b) The books of account shall be so maintained that when the full information is not recorded therein the entries shall contain sufficient reference to the supporting records to permit ready identification.

(c) Each carrier shall keep its books of account on a calendar-month basis so that for each month all transactions applicable thereto, as nearly as may be ascertained, will be entered in the books. The final entries for any month shall be made not later than 60 days after the last day of the month for which the accounts are stated, except that the period within which the final entries for the month of December shall be made may be extended to such date as will not interfere with the preparation and filing of annual reports as required by section 219 of the act.

(d) The books of account shall be maintained independently for each carrier and shall not be combined with those of any other person.

§ 35.03–3 *Records supporting accounting entries.* Supporting records shall be maintained in which shall be shown the full details concerning any entry in the books of account for which the details are not shown in the accounts themselves. The supporting records referred to herein include, in addition to the accounting records in a limited technical sense, all records such as minute-books, stock-books, reports, correspondence, memoranda, maps, plans, specifications, quantity surveys, inventories, and any and all other records that would be useful in developing the history of or the facts regarding any transaction. These supporting records shall be so filed as to be readily accessible for examination by representatives of the Commission.

§ 35.03–4 *Transactions with affiliates.* Each carrier shall so maintain its accounts and records as to be able to furnish accurately and expeditiously a statement of all transactions with affiliates. This statement shall show the general nature of the transactions, the amounts involved therein, and the amounts included in each account prescribed herein with respect to such transactions.

§ 35.03–5 *Summary accounts, subaccounts, additional clearing accounts, and temporary or experimental accounts.* (a) Accounts that are clearly summaries of other accounts or of subaccounts provided for herein are not required to be kept in the carrier's books of accounts. However, such accounts may be opened in the general books for control purposes.

(b) All accounts kept shall conform in number and title to those prescribed herein, except that:

(1) Carriers may subdivide any of the prescribed accounts or subaccounts, provided that such subdivisions do not impair the integrity of the prescribed accounts. The titles of all such subdivisions shall refer by number or title to the account or accounts of which they are subdivisions.

(2) Clearing accounts in addition to those prescribed and temporary or experimental accounts may be kept, provided that such additional accounts do not impair the integrity of the prescribed accounts.

(3) Within 90 days from the effective date of this system of accounts, the carrier shall notify the Commission of the nature and purpose of (i) the subdivisions of the prescribed accounts, (ii) the temporary accounts, (iii) the experimental accounts, and (iv) the additional clearing accounts opened under authority of this section. The carrier shall continue to keep the Commission informed of all additional accounts (or subaccounts) of these types that are opened after such effective date.

NOTE: Only one item need be reported for a group of subaccounts that differ from each other only with respect to geographical location or type of material.

(c) When so required by a State commission or other authority exercising jurisdiction, the carriers' records may be so maintained that the amounts of plant, operating revenues, operating expenses, and other operating-revenue deductions applicable to operations within such jurisdiction may be stated separately, provided that such separate statement does not impair the integrity of any primary account or subaccount required to be maintained under this system of accounts.

§ 35.03–6 *Transferring balances from accounts previously maintained.* As at the effective date of this system of accounts, the several accounts prescribed herein shall be opened by transferring thereto the balances carried in the accounts previously maintained by the carrier. The carrier is authorized to make such subdivisions, reclassifications, or consolidations of these balances as are necessary to meet the requirements of this system of accounts. Entries that require the determination of cost by estimates shall be supported by records showing in complete detail the methods used in arriving at or computing the amounts thereof. Copies of journal entries recorded to effect the transfers, and a detailed statement of the methods used in arriving at or computing estimated costs, shall be filed with the Commission within 90 days from the dates of the entries. (See also paragraph (g) of § 35.1–1.)

§ 35.03–7 *Charges to be just and reasonable.* All charges to the accounts prescribed in this system of accounts for plant, for operating revenues, and for operating expenses and other operating-revenue deductions shall be just and reasonable, and any payments by the carrier in excess of such just and reasonable charges shall be included in account 5299, "Other deductions from ordinary income."

§ 35.03–8 *Entries involving telephone or radiotelegraph service.* (a) When wire-telegraph or ocean-cable carriers are engaged also in furnishing telephone or radiotelegraph service through the utilization of distinctive portions of their facilities devoted exclusively or primarily to such service, they shall maintain accounts for the plant, operating revenues, operating expenses, and other items applicable to each such service in conformity with the respective effective accounts prescribed for carriers engaged primarily in furnishing such service. In the reports to the Commission the amounts in these accounts shall be indicated as provided in paragraph (b) of this section.

(b) The cost of distinctive telephone or radiotelegraph plant (whether operated by the carrier or others) shall be included in account 1530, "Telephone and radiotelegraph plant." The amounts of the allowances for depreciation and amortization of such plant shall be included in account 1535, "Allowance for depreciation and amortization; telephone and radiotelegraph plant." The amounts of revenue derived from the operation of such plant by the carrier shall be credited to account 3610, "Telephone revenue; telephone systems," or account 3625, "Radiotelegraph revenue; radiotelegraph systems," as appropriate. The amounts of operating-revenue deductions (including operating expenses) applicable to the operation of such plant shall be charged to account 4945, "Telephone and radiotelegraph operating-revenue deductions." The rentals received from telephone or radiotelegraph plant leased to others as substantially complete operating systems or operating units shall be credited to account 5015, "Income from telephone and radiotelegraph plant leased to others," and the amounts of operating-revenue deductions applicable to the operation of such plant shall be charged to account 4945. Rentals from telephone or radiotelegraph facilities not constituting substantially complete operating systems or operating units shall be credited to the appropriate operating-revenue accounts.

(c) When the major use of a particular portion of the carrier's plant is in wire-telegraph or ocean-cable service, but the same facilities are used also in other types of communication service in a manner preventing the distinction of the physical elements associable with such services, the distribution of the operating revenues, operating expenses, and other deductions from operating

revenues among the several classes of communication service where directly applicable shall be accomplished by subdivisions of the prescribed accounts, except that revenues derived from telephone service rendered through the use of such plant shall be included in account 3155, "Telephone service revenue" (wire-telegraph), or account 3255, "Telephone service revenue" (ocean-cable), as appropriate. (See also § 35.03–17.)

§ 35.03–9 *Sequence of accounts.* The order in which the accounts are presented in this system of accounts is not to be considered as necessarily indicative of the order in which they will be scheduled at all times in reports to the Commission. The sequence contemplated (until further notice) will be as indicated in the respective forms which immediately precede the texts for the several groups of accounts.

§ 35.03–10 *Preliminary investigations and research.* (a) The cost of preliminary surveys, plans, and investigations made for the purpose of determining the feasibility of contemplated major projects shall be charged to account 1935, "Preliminary survey and investigation charges," and subsequently cleared therefrom in accordance with the text of that account.

(b) The cost of research and development work such as laboratory expenses and other research items that cannot be assigned to specific construction projects shall be charged to account 9011, "Research and development clearing account," and subsequently cleared therefrom in accordance with the text of that account.

§ 35.03–11 *Interpretation of the prescribed accounting.* (a) The parenthetical cross-references and the notes following the texts of various instructions and accounts are for the purpose of indicating the particularly applicable provisions of other sections. Such references are not to be construed as compromising a complete list of the instructions relating to a particular subject, since the definitions, the general instructions, and the instructions at the beginning of each group of accounts must be given consideration in determining the prescribed accounting.

(b) All questions of doubtful interpretation of the prescribed accounting shall be submitted, by responsible accounting officials of the carrier, to the Commission for consideration and decision.

§ 35.03–12 *Interpretation of item lists.* The lists of items following the texts of the several accounts are for the purpose of indicating the application of the prescribed accounting in specific cases. The lists are not to be considered as comprising all the items to be reflected in the several accounts, but merely representative of them. Although the same item may appear in more than one list, its appearance in a list warrants the reflection of such item in the account concerned only when the text of the account also so indicates. The proper entry in each instance must be determined by the text of the account.

§ 35.03–13 *Delayed items.* Delayed items shall be charged or credited to the same accounts that would have been charged or credited if the items had not been delayed; *Provided,* That, when the amount of a delayed item is relatively so large that its inclusion in the accounts for a single year would seriously distort the accounts for that year, the carrier shall charge or credit the amount to account 6220, "Delayed income charges," or account 6210, "Delayed income credits," as appropriate. Not later than the date of filing its next annual report to the Commission the carrier shall file with the Commission a statement showing the full particulars concerning each such item, including the accounts and years that would have been affected had the item not been delayed.

§ 35.03–14 *Unaudited items.* (a) When, at the end of a calendar year or at such other time as a financial statement may be required by the Commission, it is known that a transaction has occurred which affects these accounts but the amount involved in the transaction and its effect upon the accounts cannot be accurately determined, an estimate thereof shall be included in the appropriate accounts. The carrier is not required to anticipate minor items that would not appreciably affect these accounts.

(b) If, during the interval between the date of initial estimate of the item and the date on which it is audited, a substantial difference from the initial estimate is determined, appropriate adjustment to cover such difference shall be made in the accounts for the month in which the difference is determined.

(c) When the item is audited, the necessary adjustment shall be made in the appropriate account for the month in which the item is audited.

(d) Any substantial difference determined in accordance with paragraph (b) or (c) shall be accounted for as provided in § 35.03–13 or § 35.03–15, as appropriate.

§ 35.03–15 *Unusual items.* When the amount of any item includible in an operating-revenue, operating-expense, or other income account for a single month is relatively so large that its inclusion in the accounts for that month would seriously distort that account, it may be included in account 1999, "Other deferred charges," or account 2399, "Other deferred credits," as appropriate, and distributed in equal amounts to the accounts for the current and remaining months of the calendar year.

§ 35.03–16 *Transactions involving foreign currency.* (a) Revenues when collected, billed, or for other reasons given initial treatment in the accounts in terms of foreign currency, shall be stated in the operating-revenue accounts (3100 to 3699, inclusive) in terms of United States currency on the basis of a fixed uniform rate of foreign exchange. Concurrently adjustments from such fixed uniform rate to the then current rate of exchange shall be recorded in account 3710, "Foreign exchange; revenue differential."

(b) Under uniform practices, adopted by the carriers and reported to the Commission, operating-revenue deductions (including operating expenses) when paid, vouchered, or for other reason given initial treatment in the accounts in terms of foreign currency shall be stated in accounts 4000 to 4999, inclusive (other than account 4998), in terms of United States currency on the basis of a fixed uniform rate of foreign exchange. Concurrently, adjustments from such fixed uniform rate of exchange to the then current rate of exchange shall be recorded in account 4998, "Foreign exchange; expense differential."

(c) Under uniform practices, adopted by the carriers and reported to the Commission, ordinary income items (other than those provided for in paragraphs (a) and (b) of this section and the operating-revenue deductions) given initial treatment in the accounts in terms of foreign currency shall be stated in income accounts 5000 to 5299, inclusive (other than accounts 5140 and 5298), in terms of United States currency on the basis of the fixed uniform rate of foreign exchange. Concurrently, adjustments from such fixed uniform rate of exchange to the then current rate of exchange shall be recorded in account 5298, "Foreign exchange; Income differential."

(d) Current assets and liabilities or net current assets, recorded in the first instance in terms of foreign currency, shall be recorded in terms of United States currency at the end of each month at the then current rate of exchange. The net difference arising out of such translation at the beginning and at the end of the monthly accounting period shall be recorded as a charge or a credit to account 5140, "Gain or loss on foreign currency exchange."

(e) Differences in terms of United States currency between (1) amounts initially recorded (or resulting from the most recent translation) in the asset or liability accounts and (2) amounts required for settlement or derived from conversion, by reason of such transactions as the effecting of traffic settlements, the payment of rents or the receipt of rentals, or the settlement of loans, shall be recorded in account 5140, "Gain or loss on foreign currency exchange."

§ 35.03–17 *Apportioning amounts among accounts.* (a) When it is necessary to apportion amounts among accounts or subaccounts, the carrier shall be prepared to describe the basis of such apportionment.

(b) The pay and expenses of officers or employees regularly assigned to specific duties who perform incidental services of a different nature involving small expense shall be included in the expense accounts appropriate for the duties to which such officers or employees are regularly assigned.

(c) The pay and expenses of officers or employees engaged in activities of a varying nature, such as an engineer who may be assigned to supervise construction, maintenance, or operations work, shall be included in the appropriate ac-

counts upon the basis of the actual time devoted to the respective classes of work, except that the pay and expenses of an officer or employee who performs substantially the same variety of duties from day to day may be distributed upon the basis of a study of the time actually devoted by him to these duties during a representative period.

§ 35.03–18 *Transactions involving joint operations.* (a) In accounting for operating expenses incurred under arrangements for apportionment between the persons concerned, the creditor shall show the distribution of the charges in its bills and such distribution shall be adhered to in the accounts of any debtor to which this system of accounts is applicable.

(b) Any amounts included in the settlement representing return on investment in the plant used under joint-operation arrangements shall be charged or credited, as the case may be, to the appropriate rent-expense account or to the appropriate rent-revenue account.

§ 35.03–19 *Transactions involving interchange of traffic.* (a) A traffic-settlement account shall be maintained with each communication carrier with which traffic is interchanged (separately from the accounts maintained for other transactions with such carriers), and there shall be included in each such account both (1) amounts representing the accounting carrier's portion of revenues receivable from interchange of traffic with the respective carrier and (2) amounts representing the accounting carrier's obligation to such other carrier for traffic interchanged with it. (See also § 35.31–3.)

(b) In stating the balance sheet, the total of the debit balances remaining in these traffic-settlement accounts that have net debit balances shall be reported in account 1742, "Traffic settlements receivable from affiliates," and account 1752, "Traffic settlements receivable," as appropriate, and the total of the credit balances remaining in these traffic-settlement accounts that have net credit balances shall be reported in account 2122, "Traffic settlements payable to affiliates," and account 2132, "Traffic settlements payable," as appropriate.

§ 35.03–20 *Commissions.* (a) Commissions are amounts payable to a person acting as agent for the accounting carrier for services rendered, or amounts receivable by the accounting carrier for services rendered as agent of another person, whether such amounts are computed on a percentage basis or on a fixed unit rate.

(b) Commissions for terminal services in originating and terminating messages or similar communication services rendered to the carrier by other communication carriers, transportation companies, hotels, service stations, or other persons not employees of the carrier shall be included in account 4273, "Terminal commission charges."

(c) Commissions for services rendered by employees shall be included in the operating-expense account appropriate for the compensation of such employees.

(d) Commissions for terminal services rendered by the carrier to other carriers shall be included in account 3350, "Terminal commissions," particularly when such amounts are the result of operating agreements that provide a substantial source of revenue.

NOTE. Inconsequential amounts receivable for terminal services rendered to other carriers, particularly when there is no element of profit involved, may be included in account 4275, "Terminal commissions; expense credit."

§ 35.03–21 *Transactions involving leased property.* (a) When, under the terms of a lease, the carrier obtains exclusive possession of a substantially complete operating system or operating unit, the following information applicable to such plant shall be obtained from the lessor:

Date of installation.
Original cost.
Estimated service life.
Estimated cost of removal.
Estimated salvage value.
Depreciation accrued by the lessor to effective date of leasing agreement.

Such information shall be made the basis of the memorandum records required under the provisions of paragraph (h) of § 35.1–5.

(b) When, under the terms of a lease, the carrier as lessor surrenders exclusive possession of a substantially complete operating system or operating unit, the information enumerated in paragraph (a) of this section shall be furnished to the lessee. The cost of such property shall be recorded in the accounts of the lessor as provided in §§ 35.1100 and 35.1–1.

(c) When, under the terms of a lease, improvements made by the lessee revert to the lessor and constitute a part of the consideration paid for the use of the plant, the cost of such improvements shall be included in the appropriate plant accounts of the lessor and in account 1815, "Prepaid rents," in the accounts of the lessee, and shall be otherwise accounted for as provided in paragraph (b) of § 35.1–5.

(d) Depreciation of the leased property shall be accounted for as provided in paragraphs (d) and (e) of § 35.1–5 and in paragraphs (b), (c), and (d) of § 35.30–3. (See also §§ 35.1515, 35.1520, 35.2225, 35.2230, 35.4910, and 35.4915.)

### INSTRUCTIONS; DEPRECIATION ACCOUNTING

§ 35.04–1 *Classes of depreciable operated plant.* The classes of depreciable operated plant and the plant accounts in which the cost of such plant is includible are as folows:

Land used for right of way (account 11).
Land improvements (account 14).
Buildings (account 15).
Outside communication lines (accounts 21 to 39, inclusive).
Inside communication plant (accounts 41 to 59, inclusive).
Office and messenger equipment (accounts 61 to 69, inclusive).
Work equipment (accounts 71 to 79, inclusive).

NOTE A: Special instructions are provided for the accounting for the depreciation on messenger uniforms. (See particularly note B in § 35.65.)

NOTE B: Depreciation charges on work equipment are includible in the appropriate clearing accounts.

§ 35.04–2 *Computation of depreciation rates.* (a) Annual depreciation rates applicable to the cost of each class or subclass of depreciable plant shall be established on the basis of the estimated service values and service lives developed by a study of the carrier's history and experience and such engineering and other information as may be available with respect to prospective future conditions, but shall not include any allowance for loss in service value of property expected to be acquired in the future. These percentage rates shall be such that the loss in service value of plant, except losses excluded under the definition of depreciation, shall be accounted for under the straight-line method of depreciation accounting.

(b) The carrier shall keep such records of plant and plant retirements as will reflect the service life of plant that has been retired or will permit the determination of service-life indications by mortality, turnover, or other appropriate methods and also such records as will reflect the percentage of net salvage value for plant retired from each class of depreciable plant.

(c) When with respect to any class or subclass of plant the factors causing depreciation (and consequently occasioning the amount of the current net book cost and the rate of depreciation previously applied in the accounts) commence at any time (including the accounting period—year or month—immediately preceding retirement) to operate at a new rate, that fact shall be recognized in the accounts by applying (actually or in effect) such a new percentage rate to the cost of that plant or portion thereof as will dispose of the difference between its current net book cost and its estimated net salvage value during the period (known or estimated) of its remaining life.

§ 35.04–3 *Depreciation charges.* (a) The current depreciation charges applicable to operated plant the cost of which is includible in account 1000, "Operated plant in carrier's service," and account 1200, "Improvements and replacements of operated plant leased from others," shall be determined by applying monthly to the amounts in each account or subaccount one-twelfth of the annual percentage rate, determined in accordance with § 35.04–2 as applicable thereto. Such amounts shall be recorded monthly in account 4910, "Depreciation," or in the clearing accounts, as appropriate, and corresponding credits shall be recorded in account 1515, "Allowance for depreciation; Wire - telegraph and ocean-cable plant." The amount remaining in account 1515, with respect to any class or subclass of operated plant for which a separate specific percentage rate is computed, shall at no time, be in excess of the depreciation-allowance requirement computed on the basis of the then applicable depreciation rate (see § 35.04–2) and the remaining life expectancy of such class or subclass of operated plant. (See also § 35.03–21.)

(b) When, under the terms of a lease, the carrier, as lessor, is required to replace or to restore the condition of operated plant the cost of which is includible in account 1100, "Operated plant leased to others," the current depreciation charges shall be recorded monthly in account 5010, "Income from operated plant leased to others," and corresponding credits shall be recorded in account 1515, "Allowance for depreciation; Wire-telegraph and ocean-cable plant." (See also § 35.30–3.)

(c) When, under the terms of a lease, the carrier, as lessee, is required to replace or to restore the condition of operated plant leased from others, depreciation charges with respect to such original leased plant shall be computed and applied as provided in § 35.1–5.

(d) Depreciation charges initially accounted for by the lessor shall be reported to and accounted for by the lessee as provided in paragraph (c) of § 35.30–3.

§ 35.04–4 *Extraordinary retirements.* The initial accounting for the retirement of operated plant for causes not contemplated in prior allowances for depreciation shall be as provided in §35.1–6. If retirement losses are covered by commercial insurance, the amounts recovered therefrom shall be credited to account 1515, "Allowance for depreciation Wire-telegraph and ocean-cable plant." If retirements occasion losses for which provision has been made in account 2215, "Provisions for self-carried insurance," the amounts of such losses shall be charged to that account and credited to account 1515 to the extent of the amounts so provided. To the extent that the loss is not covered by insurance the carrier may, upon approval by the Commission, credit account 1515 and charge account 1910. "Extraordinary maintenance, depreciation, and retirements," with the unprovided-for loss in service value, and distribute it from the latter account to account 4925, "Extraordinary plant losses," over such period as the Commission may approve or direct. The carrier's application to the Commission for permission to charge account 1910 shall give particulars concerning the plant retired, the unprovided-for service loss, and the period over which, in the carrier's judgment, such charges should be distributed.

INSTRUCTIONS FOR CLASS B CARRIERS

§ 35.05–1 *Primary operating-revenue accounts for class B carriers.* Class B carriers shall keep all the operating-revenue accounts prescribed for class A carriers that are applicable to their affairs, except that they may keep the following accounts in lieu of the nontransmission revenue accounts:

3400 *Wire-telegraph nontransmission revenues.* This account shall include the carrier's portion of revenues from wire-telegraph operations other than transmission. It shall include all the operating revenues includible by class A carriers in accounts 3410 to 3499, inclusive.

3500 *Ocean-cable nontransmission revenues.* This account shall include the carrier's portion of revenues from ocean-cable operations other than transmission. It shall include all the operating revenues includible by class A carriers in accounts 3510 to 3599, inclusive.

§ 35.05–2 *Primary operating-expense accounts for class B carriers.* Class B carriers shall keep all the operating-expense accounts prescribed for class A carriers that are applicable to their affairs, except that certain accounts may be combined as follows:

4210 *Compensation of conducting-operations employees.* This account shall include the amounts of compensation of employees engaged in conducting operations. It shall include all the amounts includible by class A carriers in accounts 4211 to 4219, inclusive.

4260 *Operating rents.* This account shall include the amounts of expenses incurred as rents for the use of operating property. It shall include all the amounts includible by class A carriers in accounts 4261 to 4269, inclusive.

4290 *Other conducting-operations expenses.* This account shall include the amounts of expenses incurred in conducting operations not provided for elsewhere. It shall include all the amounts includible by class A carriers in accounts 4221 to 4259, inclusive, and accounts 4271 to 4299, inclusive.

4300 *General expenses.* This account shall include the general expenses of the carrier. It shall include all the expenses includible by class A carriers in accounts 4311 to 4399, inclusive.

4400 *Administrative expenses.* This account shall include the administrative expenses of the carrier. It shall include all the expenses includible by class A carriers in accounts 4410 to 4499, inclusive.

REPORTING REQUIREMENTS

§ 35.06–1 *Provisions that require the specific approval of the Commission before the accounting is performed.* (a) Specific authority shall be obtained from the Commission before charges representing unprovided-for losses in service value are entered in account 1910, "Extraordinary maintenance, depreciation, and retirements." (See § 35.04–4.)

(b) The plan of accounting proposed to record the exchange of securities issued or assumed by the carrier shall be submitted to the Commission for consideration and approval prior to the recording of the journal entries applicable thereto. (See § 35.10–8.)

(c) The plan of accounting proposed to record (1) the issuance of no-par capital stock, (2) the appropriation of surplus for transfer to the no-par capital-stock account, (3) the reduction of capital surplus through the use of the no-par capital-stock account, or (4) the reduction of the amount in account 2410, "Capital stock issued," through the creation of surplus or the reduction of the book value of assets, shall be submitted to the Commission for consideration and approval prior to the recording of the journal entries applicable thereto. (See paragraph (c) of § 35.10–9.)

(d) Specific authority shall be obtained from the Commission if, in connection with the refinancing of an issue or series of bonds or other long-term debt, the carrier desires to amortize any of the discount, expense, or premium associated with the issuance or redemption of the prior issue over a period subsequent to the date of its redemption. (See paragraph (f) of § 35.10–14.)

(e) Specific authority shall be obtained from the Commission before the carrier disposes of amounts entered in account 1510, "Plant-acquisition adjustments." (See paragraph (d) of § 35.1510, paragraph (b) of § 35.1520, and §§ 35.4920 and 35.5255.)

(f) Specific authority shall be obtained from the Commission before charges are made to any account other than account 6120, "Extraordinary current income charges," to create a credit balance, as at the effective date of this system of accounts, in account 1520, "Allowance for amortization Wire-telegraph and ocean-cable plant," equal to the expired service value of certain intangibles. (See paragraph (c) of § 35.1520.)

(g) Amounts included in account 1545, "Plant adjustments," shall not be disposed of except upon the specific approval or direction of the Commission. (See paragraph (b) of § 35.1545.)

(h) Carriers desiring to change the optional procedure adopted for recording foreign investments and foreign income shall submit notice thereof to the Commission for its consideration and approval at least 90 days before the proposed effective date of such change. (See paragraphs (d) of § 35.1599 and (d) of § 35.5089.)

(i) Specific authority shall be obtained from the Commission before charging any account other than account 6120, "Extraordinary current income charges," with amounts included in account 1935, "Preliminary survey and investigation charges," applicable to projects that have been abandoned when such costs are borne by the carrier. (See paragraph (a) of § 35.1935.)

(j) Specific authority shall be obtained from the Commission before using account 2220, "Provisions for equalization of maintenance expenses," and account 4180, "Maintenance-expense equalization." (See paragraph (a) of § 35.2220 and § 35.4180.)

(k) Specific authority shall be obtained from the Commission before transferring any amounts credited to account 2515, "Contributions of plant," to another account. (See paragraph (b) of § 35.2515.)

(l) The accounting with respect to the acquisition of duplicate and other plant from predecessors, which is intended to be retired by the carrier in the reconstruction of the acquired plant or in its consolidation with the previously owned property, shall be submitted to the Commission for consideration and approval. (See paragraph (e) of § 35.1–2.)

(m) Specific authority shall be obtained from the Commission before there is included in construction cost any interest covering a period of more than 6 months from the date of suspension of construction work. (See paragraph (c) (8) of § 35.1–3.)

(n) Balances transferred to account 1999, "Other deferred charges," and account 2399, "Other deferred credits," after settlements with lessees upon the termination of leases shall not be disposed of except upon the specific approval of the Commission. (See paragraph (g) of § 35.1–5.)

(o) Amounts included in account 2225, "Provisions for depreciation and replacement of operated plant leased from

others," and account 2230, "Leased operated plant retired," with respect to expired leases shall not be disposed of except upon the specific approval or direction of the Commission. (See paragraph (k) of § 35.1–6.)

(p) Each carrier that has adopted the accrual plan of accounting for pensions shall make no change in the accounting therefor or in the method of computing the amounts of the accruals without first submitting full particulars of the proposed changes and a detailed statement of the reasons therefor to the Commission for its consideration and approval. (See paragraph (d) of § 35.4327.)

(q) Accruals charged to account 4327, "Relief and pensions," to provide for the payment of termination allowances or similar benefits shall be made only after the approval by the Commission of the carrier's plan for administering such payments and of the amounts of the accruals therefor. (See paragraph (f) of § 35.4327.)

(r) Specific authority shall be obtained from the Commission before the carrier transfers any amounts charged to account 9011, "Research and development clearing account," that are applicable to projects that have been abandoned to any account other than account 6120, "Extraordinary current income charges," when such costs are borne by the carrier. (See paragraph (b) of § 35.9011.)

(s) Specific authority shall be obtained from the Commission before the elimination of or substitution for retirement units. (See paragraph (b) of § 35.1–6–1.)

§ 35.06–2 *Provisions that require certain special reports to be filed.* (a) A statement indicating the nature and purpose of subdivisions of the prescribed accounts, of experimental accounts, of temporary accounts, and of additional clearing accounts that have been opened in the books of account shall be filed with the Commission within 90 days of the effective date of this system of accounts. The carrier shall continue to keep the Commission informed of all the additional accounts or subaccounts of these types that are subsequently opened. (See paragraph (b) (3) of § 35.03–5.)

(b) Copies of the journal entries recorded to effect the transfers of balances carried in the accounts previously maintained by the carrier, and a detailed statement of the method used in computing estimated cost, shall be submitted to the Commission within 90 days from the dates of the actual entries. (See § 35.03–6.)

(c) A statement showing the full particulars concerning any relatively large delayed item included in account 6210, "Delayed income credits," or account 6220, "Delayed income charges," shall be filed with the Commission not later than the date of filing its next annual report to the Commission. (See § 35.03–13.)

(d) A transcript of the capital-surplus accounts, together with a summary statement of the charges and credits, maintained prior to the effective date of this system of accounts shall be filed with the Commission within 90 days of the effective date of this system of accounts. (See paragraph (c) of § 35.10–10.)

(e) Carriers electing to use account 1599, "Foreign investment in communication plant," and account 5089, "Income from foreign operations," shall advise the Commission of that fact at least 60 days before the effective date of this system of accounts. (See paragraphs (d) of § 35.1599 and (d) of §35.5089.)

(f) Not later than January 1, 1946 each carrier shall have submitted to the Commission the entries it proposes to make to carry out the reclassification of its plant in accordance with the accounts prescribed in this system of accounts. (See paragraph (f) of § 35.1–1.)

(g) Not later than January 1, 1946 each carrier shall have submitted to the Commission a comparative balance sheet showing, as at January 1, 1943, the amounts includible in the respective accounts prescribed in this system of accounts (1) before and (2) after effect has been given to the proposed entries relating to the classification of the plant. (See paragraph (f) of § 35.1–1.)

(h) Copies of the journal entries recording the acquisition of certain major properties shall be submitted to the Commission within 90 days from the dates of the actual entries. (See paragraph (h) of § 35.1–2.)

(i) Copies of the journal entries recording the completion of the prescribed accounting for plant acquisitions shall be submitted to the Commission within 90 days from the date that the clearing entries relating to each acquisition are made. Within 90 days from the date of any entry recording an acquisition, the carrier shall submit to the Commission a statement indicating the approximate date contemplated for the completion of the clearing entries relating thereto. (See particularly paragraph (h) of § 35.1–2 and paragraph (b) of § 35.91.)

(j) Not later than June 30, 1943, each carrier shall submit to the Commission for consideration and approval a complete plan for the establishment and maintenance of a continuous property-record. (See paragraph (b) of § 35.1–8.)

(k) Before adopting the accrual plan of accounting for pensions the carrier shall inform the Commission of the details of its pension plan and related matters. (See paragraph (d) of § 35.4327.)

(l) A report shall be submitted to the Commission annually with respect to retirement units in accordance with the provisions of paragraph (d) of § 35.1–6–1.

## Balance-Sheet Accounts

### Instructions

§ 35.10–1 *Purpose of balance-sheet accounts.* The balance-sheet accounts are designed to show the financial position of the carriers as at a given date.

§ 35.10–2 *Current assets.* (a) Current assets are cash, those assets that are readily convertible into cash or are held for current use in operations or construction, current claims against others the settlement of which is reasonably assured, and amounts accruing to the carrier that are subject to current settlement, except that bonds and other obligations of others classified by the carrier in investment and fund accounts at the time of acquisition shall remain so classified until the date of payment, sale, or other disposition thereof.

(b) There shall not be included in the group of accounts designated as current assets any item the collectibility of which is not reasonably assured unless adequate allowance has been made therefor in account 1765, "Allowance for uncollectible receivables." Items of current character but of doubtful value may be reduced in amount and, for record purposes, carried in these accounts at nominal value. The amounts of such reductions, or the amounts provided by credits to account 1765, shall be charged to account 4935, "Uncollectible revenues," account 5299, "Other deductions from ordinary income," or account 6120, "Extraordinary current income charges," as appropriate.

§ 35.10–3 *Prepayments.* (a) Prepayments are amounts paid by the carrier for services to be rendered by others during a subsequent accounting period.

(b) When an advance payment is made, the appropriate prepayment account shall be charged with the amount of such payment. As the term expires for which the advance payment was made the prepayment account shall be credited (at monthly intervals) and the appropriate expense account or other account shall be charged with the proportionate amount applicable thereto.

§ 35.10–4 *Deferred charges.* Deferred charges are amounts representing (1) debit items held in suspense pending determination of their actual status, (2) costs of services that have been rendered to the carrier but are chargeable to future operations, and (3) items which for other reasons are allocable to other appropriate accounts for a future period or a succession of future periods.

§ 35.10–5 *Current liabilities.* (a) Current liabilities are those obligations that have become matured at the date of the balance sheet or that will become due within 1 year from the date thereof (except bonds, receivers' and trustees' securities, and similar obligations, which shall be classified as long-term debt until the date of maturity); accrued taxes, such as income taxes, which shall be classified (in the balance sheet) as current liabilities even though payable more than 1 year from the balance-sheet date; and minor amounts payable in installments, which may be classified as current liabilities.

(b) The liability-accrual accounts shall include the amounts of interest, taxes, rents, and other items (other than unpaid wages) with respect to which amounts eventually payable have been recorded as deductions from revenue or income but which have not matured. (See also § 35.03–14.)

(c) Excepting amounts includible in account 2115, "Customers' deposits," or in account 2155, "Advance billings," (for which provision is made in section 4935, "Uncollectible revenues"); amounts that have been included in the several primary accounts for current liabilities (accounts 2101 to 2160, inclusive) or have been rep-

resented by outstanding checks or similar instruments for a period of 2 years or more because of inability to identify or locate the payee may (in the absence of statutory provision to the contrary) be written down, or reinstated in account 1710, "Cash," and credited to account 6110, "Extraordinary current income credits": *Provided,* That nominal amounts (one item representing each class of liability) shall thereafter be included in an appropriate subaccount of account 2199, "Other current liabilities." The entry recording the nominal amount, representative of a particular class of liability, as a credit to account 2199 shall contain a description of the records in which are entered the pertinent facts concerning all the items of that particular class that have been written off. Subsequent journal entries accomplishing further write-offs of, or cash reinstatements relating to, the same class of liability shall make reference to such original entry or to the records referred to therein.

§ 35.10–6 *Long-term debt.* (a) When evidences of debt that, according to their terms, do not mature until more than 1 year from date of issuance are issued or assumed by the carrier or by a receiver or an operating trustee of the carrier, the face amount of such evidences of debt shall be recorded in the appropriate account listed under the group caption "Long-term debt." (See also § 35.10–14.)

(b) If a liability, other than minor amounts payable in installments, is due more than 1 year from date of issuance or assumption by the carrier, it shall be credited to a long-term debt account appropriate for the transaction, but, for the purpose of classification in the balance sheet, a debt (except bonds, receivers' and trustees' securities, and similar obligations) shall be classified as a current liability is due within 1 year from the balance-sheet date.

§ 35.10–7 *Book cost of securities owned.* (a) Securities of others acquired by the carrier shall be recorded in these accounts at cost. Such cost shall not include any amount paid for dividends or for interest accrued.

(b) The carrier's records shall be so maintained as to show separately the cost of (1) common stock, (2) preferred stock, and (3) long-term debt.

(c) The carrier's records shall be so maintained that in the reports to the Commission the securities, classified as in paragraph (b) of this section, that are pledged as collateral security for any of the carrier's or other persons' long-term debt or short-term loans or to secure the performance of contracts may be shown separately from the securities, similarly classified, that are unpledged.

(d) There shall not be included in the accounts designated as investment and fund accounts any amount the ultimate realization of which is not reasonably assured unless adequate allowance has been made therefor in account 1699, "Allowance for doubtful investments." The book cost of securities includible in such accounts shall be reduced to a nominal amount if there is no reasonable prospect of substantial value, but fluctuations in market value shall not be recorded in the accounts. Amounts by which these securities are thus reduced, or amounts provided by credits to account 1699, shall be charged to account 6120, "Extraordinary current income charges."

(e) When securities authorized by State laws for inclusion in legal-reserve funds required by such laws, and in other similar fiduciary funds requiring a qualification for the investment thereof, and with a fixed maturity date (other than securities issued or assumed by affiliates), are purchased at a discount (i. e., when the total cost including brokerage fees, taxes, commissions, and similar costs is less than the face amount of the securities), such discount shall be amortized over the remaining life of the securities through periodic charges to account 1698, "Amortized discount and premium on investment securities," and credits to the account in which is recorded the interest from such securities.

(f) When any securities with a fixed maturity date are purchased at a premium (i. e., when the total cost including brokerage fees, taxes, commissions, and similar costs is in excess of the face amount of the securities), such premium shall be amortized over the remaining life of the securities through credits to account 1698 and charges to the account in which is recorded the interest from such securities.

(g) No amount shall be entered for amortization of discount or premium on securities with respect to which a reduction in book cost or a provision for doubtful value has been made. Any amounts in account 1698 representing the amortization of discount or premium on securities with respect to which a reduction in book cost or a provision for doubtful value is made shall be cleared by charges or credits, as appropriate, to the account in which is recorded the interest from such securities. (See particularly paragraphs (d), (e), and (f) of this section; also §§ 35.03–13 and 35.03–15.)

(h) If securities actually issued or assumed by the carrier and reacquired by it are not retired, they shall be entered at book amount in account 2015, "Bonds reacquired," or account 2415, "Capital stock reacquired," as appropriate, unless it is required by contractual provision or by the decision of a trustee not subject to control by the carrier that they be retained in debt-redemption or other funds. When so retained they shall be regarded and treated as actually outstanding, but not otherwise.

(i) When entries are made in account 2415, "Capital stock reacquired," recording the reacquisition of capital stock, entries shall concurrently be made charging account 8315, "Earned surplus employed in reacquisition of capital stock," and crediting account 2615, "Reserve against impairment of stated capital," with amounts equal to the amount charged to account 2415. Upon the resale or retirement of such stock these latter entries shall be reversed.

§ 35.10–8 *Exchange of securities.* Before recording the journal entries that it is proposed to enter in the carrier's books to record the reacquisition of capital stock or other securities issued or assumed by the carrier under a plan for the issuance in exchange therefor of other securities of the carrier, a statement indicating the plan of accounting proposed by the carrier shall be submitted to the Commission for consideration and approval. Such statement shall give complete information concerning the plan of exchange, the basis upon which the amounts have been determined, and a copy of the authorization issued by the regulatory body approving the plan.

§ 35.10–9 *Capital stock.* (a) All transactions relating to the capital stock of the accounting carrier shall be recorded by class of stock. Stocks are of the same class only when they are issued under identical terms as to all of the following: par value, stated value, preferences in the distribution of dividends and assets, voting rights, and conditions under which the stock may be retired. If the capital stock of the carrier is of two or more classes, the carrier's records shall be so maintained as to distinguish the amount applicable to each class in each of the following accounts:

1775 Subscriptions to capital stock.
1780 Deposits on subscriptions to capital stock.
1915 Capital-stock expense.
1925 Discount on capital stock.
2160 Liability on installment-plan sales of capital stock.
2410 Capital stock issued.
2415 Capital stock reacquired.
2420 Capital stock subscribed; unissued.
2425 Obligations for stock conversion.
2510 Premium and assessments on capital stock.

(b) When, by compliance with the laws of the State under which it is incorporated, a carrier is authorized to issue shares of capital stock, a memorandum entry in account 2410, "Capital stock issued," shall be made showing the number of shares, the par or the stated value of each share, and the total authorized capitalization.

(c) Before recording the journal entries that it is proposed to enter in the carrier's books to record (1) the issuance of no-par capital stock, (2) the appropriation of surplus for transfer to the no-par capital-stock account, (3) the reduction of capital surplus through the use of the no-par capital-stock account, or (4) the reduction of the amount in account 2410, "Capital stock issued," through the creation of surplus or the reduction of the book value of assets, the plan of accounting shall be submitted to the Commission for consideration and approval. Such plan shall be accompanied by a statement giving complete information with respect to the basis upon which the amounts to be recorded have been determined and a copy of the authorization issued by the regulatory body approving the issuance of no-par stock or the change in the capital-stock and surplus accounts.

(d) When capital stock which has been actually issued by the carrier is reacquired, the difference between (1) the amount paid therefor upon reacquisition and (2) the book amount plus the premium or less the discount and expense originally entered in respect thereto and not charged off shall be charged or credited, as appropriate, to account 2599,

"Other capital surplus": *Provided, however,* That such charges shall be made to account 8299, "Miscellaneous charges to earned surplus," to the extent that the amounts thereof exceed the balance in account 2599 applicable to capital stock of the same class.

(e) The carrier's records shall be so maintained that in reports to the Commission there may be shown the extent to which the surplus accounts have been charged or credited in instances in which there is a possibility of further entry in those accounts in the event of the resale of reacquired capital stock.

(f) When capital stock that has been reacquired by the carrier is resold, the difference between (1) the amount derived from the resale, less the costs incidental thereto, and (2) the book amount of such stock shall be charged or credited, as appropriate, to account 2599, "Other capital surplus": *Provided, however,* That such charges shall be made to account 8299, "Miscellaneous charges to earned surplus," to the extent that the amounts thereof exceed the balance in account 2599 applicable to capital stock of the same class: *And provided further,* That if account 8299 has been charged with amounts arising from the reacquisition of such stock, there shall be included in account 8199, "Miscellaneous credits to earned surplus," the credit balance (not in excess of the amount previously charged to account 8299 with respect to reacquisition of stock of the same class) arising from the resale of such stock.

§ 35.10–10 *Surplus.* (a) The accounts designated as capital-surplus accounts are designed to show (1) paid-in surplus (i. e., proprietary contributions in excess of the stated capital included in the capital-stock accounts), (2) donated surplus (including (i) surplus created by donations of stock or assets by proprietary interests and (ii) contributions of assets or forgiveness of debt by others), (3) surplus arising from reacquisition or resale of, or otherwise trading in, the carrier's own capital stock, and (4) surplus arising from the reduction of the stated value of capital stock due to such occasions as retirement, reorganization, or recapitalization.

(b) The balance-sheet accounts designated as earned-surplus accounts are designed to show the accumulated undistributed surplus derived from the normal operations of the carrier and from all sources (including sales of fixed assets) other than those sources referred to in paragraph (a) of this section.

(c) Within 90 days from the effective date of this system of accounts the carrier shall submit to the Commission a transcript of its capital-surplus account or accounts covering the entire period to the effective date of this system of accounts showing in detail the nature and amounts of charges and credits, respectively, and the balance that was or, if it had always been maintained, would have been in the account at the close of each year. The transcript shall be accompanied by a summary statement in which the charges and credits for the entire period covered by the transcript have been classified according to their nature and summarized to show the aggregate amount of each such classification as well as the aggregate amount of charges and credits, respectively, for the period and the resulting balance in the account or accounts at the effective date of this system of accounts.

§ 35.10–11 *Provisions for future settlements.* When in anticipation of settlements or similar transactions it is required that certain amounts shall be charged to operating expenses or other accounts without a corresponding reduction in the assets of the carrier, such amounts shall be credited to the appropriate account listed under the group caption "Provisions for future settlements." The credit balances in these accounts should indicate the estimated amounts of future settlements or other extinguishments subsequent to the date of the balance sheet with respect to amounts allocable to periods prior to that date.

§ 35.10–12 *Deferred credits.* Deferred credits are amounts representing (1) credit items held in suspense pending determination of their actual status and (2) obligations (e. g., unamortized premium on debt) that have been incurred but are applicable to future operations or income.

§ 35.10–13 *Discount, expense, and premium on capital stock.* (a) An account shall be maintained for each class of capital stock issued by the carrier (separately from the capital-stock accounts) and there shall be included in each such account both the discount and the premium associated with the issuance and sale of (exclusive of the sale of reacquired stock), or the subscription to, each such class of stock.

(b) Stock expense shall not be added to discount, or deducted from premium, on capital stock, but shall be included in account 1915, "Capital-stock expense." Such expense may be charged off to account 6120, "Extraordinary current income charges," in total or in installments, or the amount thereof may be retained in account 1915 until the stock to which the expense applies is reacquired.

(c) Only in stating the balance sheet, the total of the debit balances remaining in the discount and premium accounts shall be reported under account 1925, "Discount on capital stock," and the total of the credit balances shall be reported under account 2510, "Premiums and assessments on capital stock." Accounts with debit balances shall not be offset by accounts with credit balances.

(d) General levies or assessments against stockholders shall be credited to the discount and premium account for the particular class of stock assessed.

(e) Discount or premium on capital stock issued shall be retained in the discount and premium account until the stock is reacquired unless other disposition of such discount or premium is required by statutes to which the carrier is subject, except that inconsequential amounts of discount that would not appreciably affect the accounts may be charged off to account 8299, "Miscellaneous charges to earned surplus."

§ 35.10–14 *Discount, expense, and premium on long-term debt.* (a) An account shall be maintained for each issue or series of long-term debt issued or assumed by the carrier (separately from the long-term debt accounts) and there shall be included in each such account both the discount and the premium associated with the issuance and sale of (exclusive of the sale of reacquired long-term debt), or the subscription to, each such issue or series of debt.

(b) Debt expense shall not be added to discount, or deducted from premium, on long-term debt, but shall be included in account 1920, "Long-term debt expense."

(c) Only in stating the balance sheet, the total of the debit balances remaining in the discount and premium accounts shall be reported under account 1930, "Unamortized discount on debt," and the total of the credit balances remaining in those accounts shall be reported under account 2310, "Unamortized premium on debt." Accounts with debit balances shall not be offset by accounts with credit balances.

(d) Discount, expense, and premium with respect to each issue or series of long-term debt shall be amortized under such a plan as will equitably distribute the amounts over the life of the securities. The amortization shall be on a monthly basis and the amounts thereof shall be charged to account 5220, "Amortization of debt discount," or account 5245, "Amortization of debt expense," or credited to account 5230, "Amortization of debt premium—Cr.," as appropriate. The carrier may, however, accelerate the writing off of debt expense and extinguish inconsequential amounts of discount (that it would be burdensome to amortize and that would not appreciably affect the accounts) by charges to account 6120, "Extraordinary current income charges." Where there is a definite plan to retire an issue without refunding prior to its maturity date, amortization may be accelerated to extinguish the balance in the discount and premium account at the date of contemplated retirement.

(e) When any long-term debt is reacquired without being converted into another form of long-term debt and when the transaction is not in connection with a refunding operation, the difference between the amount paid upon reacquirement and the book amount plus the unamortized premium or less the unamortized discount, as the case may be, applicable to the debt reacquired, shall be charged to account 6120, "Extraordinary current income charges," or credited to account 6110, "Extraordinary current income credits," as appropriate.

(f) When the redemption of one issue or series of bonds or other long-term obligations is financed by another issue or series before the date of maturity of the prior issue, any unamortized discount, expense, or premium on the prior issue and any premium paid or discount enjoyed upon reacquirement shall be debited or credited, as appropriate, to account 6120, "Extraordinary current income charges," or account 6110, "Extraordinary current income credits": *Provided, however,* That if the carrier de-

sires to amortize any of the discount, expense, or premium associated with the issuance or redemption of the prior issue over a period subsequent to the date of redemption, the permission of the Commission must be obtained.

(g) Discount, expense, or premium on long-term debt shall not be included in the cost of constructing or acquiring plant, except as provided in paragraph (c) (8) of § 35.1–3.

(h) The carrier's records shall be so maintained that in the reports to the Commission there may be shown the extent to which the income accounts have been charged or credited in instances in which there is a possibility of further entry in those accounts in the event of the resale of reacquired long-term debt.

§ 35.10–15 *Irrevocable trusts.* Funds relinquished from the control of the carrier that are irrevocably devoted to the establishment or continuation of any trust or fiduciary fund (such as pension or similar funds) shall not be included as items in the balance sheet, but their existence shall be indicated by an appropriate notation thereon showing the amount of such funds.

§ 35.10–16 *Contingent assets and liabilities.* In the carrier's reports to the Commission amounts representing contingent assets and contingent liabilities shall not be included as items in the balance sheet, but their existence shall be indicated by an appropriate notation thereon and the particulars shall be shown in detail in a supplementary statement.

§ 35.10–17 *Nominally issued securities.* (a) Each carrier shall maintain, in addition to the capital-stock and long-term debt accounts prescribed herein, memorandum accounts for securities that have been nominally but not actually issued.

(b) When no-par stock is nominally issued, the number of shares issued shall be shown in the memorandum accounts.

(c) A separate memorandum account, with appropriate title, shall be maintained for each class and issue or series of such securities.

§ 35.10–99 *Contemplated form of balance sheet.* (See § 35.03–9.)

BALANCE SHEET

ASSET SIDE

*Communication Plant*

| Account No. | Particulars | | | |
|---|---|---|---|---|
| 1540 | Plan in process of reclassification | | | $--- |
| 1545 | Plant adjustments | | | --- |
| 1000 | Operated plant in carrier's service | $--- | | |
| 1100 | Operated plant leased to others | --- | | |
| 1200 | Improvements and replacements of operated plant leased from others | --- | | |
| 1300 | Plant under construction | --- | | |
| 1400 | Plant held for future communication use | --- | | |
| 1510 | Plant-acquisition adjustments | --- | $--- | |
| | Less: | | | |
| 1515 | Allowance for depreciation—Wire-telegraph and ocean-cable plant | $--- | | |
| 1520 | Allowance for amortization—Wire-telegraph and ocean-cable plant | --- | --- | --- |
| | | | | $--- |
| 1530 | Telephone and radiotelegraph plant | | $--- | |
| | Less: | | | |
| 1535 | Allowance for depreciation and amortization—Telephone and radiotelegraph plant | | --- | --- |
| 1599 | Foreign investment in communication plant | | | --- |
| | Total | | | $--- |

BALANCE SHEET—Continued

ASSET SIDE—continued

*Investments and Funds*

| Account No. | Particulars | | |
|---|---|---|---|
| 1610 | Miscellaneous physical property | $--- | |
| | Less: | | |
| 1615 | Allowance for depreciation—Miscellaneous physical property | --- | $--- |
| 1620 | Investments in affiliates | $--- | |
| 1629 | Other investments | --- | |
| 1630 | Debt-redemption funds | --- | |
| 1635 | Employees' provident funds | --- | |
| 1640 | Insurance funds | --- | |
| 1645 | Miscellaneous funds held by trustees | --- | |
| 1659 | Other miscellaneous funds | --- | |
| | | $--- | |
| 1698 | Amortized discount and premium on investment securities | $--- | |
| | | $--- | |
| | Less: | | |
| 1699 | Allowance for doubtful investments | --- | $--- |
| | Total | | $--- |

*Current Assets*

| | | | |
|---|---|---|---|
| 1710 | Cash | | $--- |
| 1715 | Special cash deposits | | --- |
| 1720 | Working cash advances | | --- |
| 1725 | Temporary investments | | --- |
| 1730 | Receivables from customers | $--- | |
| 1742 | Traffic settlements receivable from affiliates | --- | |
| 1749 | Other receivables from affiliates | | |
| | (Receivables from nonaffiliates) | | |
| 1751 | Notes receivable | --- | |
| 1752 | Traffic settlements receivable | --- | |
| 1753 | Matured interest receivable | --- | |
| 1754 | Declared dividends receivable | --- | |
| 1755 | Matured rents receivable | --- | |
| 1759 | Other accounts receivable | --- | |
| | | $--- | |
| | Less: | | |
| 1765 | Allowance for uncollectible receivables | --- | --- |
| 1770 | Unmatured accrued receivables | | --- |
| 1175 | Subscriptions to capital stock | $--- | |
| | Less: | | |
| 1780 | Deposits on subscriptions to capital stock | --- | --- |
| 1785 | Subscriptions to bonds | $--- | |
| | Less: | | |
| 1790 | Deposits on subscriptions to bonds | --- | $--- |
| 1795 | Material and supplies | | --- |
| 1799 | Other current assets | | --- |
| | Total | | $--- |

BALANCE SHEET—Continued

ASSET SIDE—continued

*Prepayments*

| Account No. | Particulars | | |
|---|---|---|---|
| 1810 | Prepaid insurance | | $ |
| 1815 | Prepaid rents | | |
| 1820 | Prepaid taxes | | |
| 1899 | Other prepayments | | |
| | Total | | $ |

*Deferred Charges*

| | | | |
|---|---|---|---|
| 1910 | Extraordinary maintenance, depreciation, and retirements | | $ |
| 1915 | Capital-stock expense | | |
| 1920 | Long-term debt expense | | |
| 1925 | Discount on capital stock | | |
| 1930 | Unamortized discount on debt | | |
| 1935 | Preliminary survey and investigation charges | | |
| 1940 | Debit balances in clearing accounts | | |
| 1999 | Other deferred charges | | |
| | Total | | $ |
| | Total—Asset side | | $ |

LIABILITY SIDE

*Long-Term Debt*

| | | | |
|---|---|---|---|
| 2010 | Bonds actually issued | $ | |
| | Less: | | |
| 2015 | Bonds reacquired | | $ |
| 2020 | Bonds subscribed—Unissued | | |
| 2025 | Receivers' and trustees' securities | | |
| 2030 | Advances from affiliates | | |
| 2099 | Other long-term debt | | |
| | Total | | $ |

*Current Liabilities*

| | | | |
|---|---|---|---|
| 2101 | Unpaid wages | | $ |
| 2111 | Liability for tax collections | $ | |
| 2113 | Unpaid money-orders | | |
| 2115 | Customers' deposits | | |
| 2120 | Matured long-term debt | | |
| 2122 | Traffic settlements payable to affiliates | | |
| 2129 | Other payables to affiliates | | |
| | (Payables to nonaffiliates) | | |
| 2131 | Notes payable | | |
| 2132 | Traffic settlements payable | | |
| 2133 | Matured interest payable | | |
| 2134 | Dividends payable | | |
| 2135 | Matured rents payable | | |
| 2139 | Other accounts payable | | |
| 2155 | Advance billings | | |
| 2160 | Liability on installment-plan sales of capital stock | | |
| | (Liability accruals) | | |
| 2164 | Dividends declared | $ | |
| 2165 | Interest accruals | | |
| 2170 | Rent accruals | | |

BALANCE SHEET—Continued

LIABILITY SIDE—continued

*Current Liabilities*—Continued

(Liability accruals)—Continued

| Account No. | Particulars | | |
|---|---|---|---|
| 2175 | Tax accruals | $ | |
| 2180 | Other liability accruals | | $ |
| 2199 | Other current liabilities | | $ |
| | Total | | $ |

*Provisions For Future Settlements*

| | | |
|---|---|---|
| 2210 | Provisions for employees' pensions and welfare | $ |
| 2215 | Provisions for self-carried insurance | |
| 2220 | Provisions for equalization of maintenance expenses | |
| 2225 | Provisions for depreciation and replacement of operated plant leased from others | |
| 2230 | Leased operated plant retired | |
| 2299 | Other provisions for future settlements | |
| | Total | $ |

*Deferred Credits*

| | | |
|---|---|---|
| 2310 | Unamortized premium on debt | $ |
| 2315 | Advances for construction | |
| 2320 | Credit balances in clearing accounts | |
| 2399 | Other deferred credits | |
| | Total | $ |

*Capital Stock*

| | | | |
|---|---|---|---|
| 2410 | Capital stock issued | $ | |
| | Less: | | |
| 2415 | Capital stock reacquired | | $ |
| 2420 | Capital stock subscribed—Unissued | | |
| 2425 | Obligations for stock conversion | | |
| | Total | | $ |

*Capital Surplus*

| | | |
|---|---|---|
| 2510 | Premiums and assessments on capital stock | $ |
| 2515 | Contributions of plant | |
| 2599 | Other capital surplus | |
| | Total | $ |

*Earned Surplus*

| | | | |
|---|---|---|---|
| | Appropriated: | | |
| 2610 | Contractual reserves | $ | |
| 2615 | Reserve against impairment of stated capital | | |
| 2620 | Miscellaneous reserves | | $ |
| | Unappropriated: | | |
| 2699 | Unappropriated earned surplus | | |
| | Total | | $ |
| | Total—Liability side | | $ |

BALANCE SHEET ACCOUNTS

PRESCRIBED ACCOUNTS

NOTE: Number to the right of the decimal point is the account number.

*Communication Plant*

§ 35.1000 *Operated plant in carrier's service.* This account shall include the total of the balances in the operated plant accounts applicable to plant owned and used by the carrier in its wire-telegraph and ocean-cable operations, except such plant the cost of which is includible in account 1200, "Improvements and replacements of operated plant leased from others."

§ 35.1100 *Operated plant leased to others.* This account shall include the total of the balances in the operated plant accounts applicable to plant owned by the carrier and leased to others as substantially complete operating systems or operating units where the lessee has exclusive possession.

NOTE: When the lessor is given or retains the exclusive privileges to maintain, inspect, and service equipment, to handle and adjust traffic accounts, to perform other similar services, or to designate who may perform such services for the lessee, the lessee will be deemed not to have exclusive possession of the plant, and its cost shall be included in account 1000, "Operated plant in carrier's service."

§ 35.1200 *Improvements and replacements of operated plant leased from others.* This account shall include the total of the balances in the operated plant accounts applicable to improvements and replacements of operated plant leased from others.

§ 35.1300 *Plant under construction.* (a) This account shall include the cost of construction of plant not completed ready for service. (See also §§ 35.1–2 and 35.1–3.)

(b) When any plant the cost of which is included in this account is completed ready for service, the cost thereof shall be credited to this account and charged to the operated plant accounts, account 1400, "Plant held for future communication use," or other accounts, as appropriate.

§ 35.1400 *Plant held for future communication use.* (a) This account shall include the cost of completed plant owned by the carrier and held for future use in communication service under a definite plan.

(b) The amounts included in this account shall be classified in accordance with the titles and texts of the appropriate plant accounts and the account shall be maintained in the same manner and detail as though the plant were in communication service.

§ 35.1510 *Plant-acquisition adjustment.* (a) This account shall include the difference between (1) the acquisition cost of plant acquired from predecessors as substantially complete operating systems or operating units and (2) the original cost of such plant less the required allowances for depreciation and amortization of the plant at the date of acquisition. (See particularly paragraphs (c), (d), (e), and (f) of § 35.1–2.)

(b) This account shall be subdivided according to the character of the amounts included herein for each plant acquisition; and further subdivided to show the amounts applicable to operated plant in carrier's service, operated plant leased to others, and plant held for future communication use.

(c) If the actual original cost is not known, the entries in this account shall be based upon an estimate of such cost.

(d) The amounts recorded in this account shall be disposed of in such manner as the Commission may approve or direct.

NOTE. The provisions of this account shall not be construed as approving or authorizing the recording of appreciation of plant.

§ 35.1515 *Allowance for depreciation; Wire-telegraph and ocean-cable plant.* (a) This account shall be credited with amounts charged to account 4910, "Depreciation," to account 5010, "Income from operated plant leased to others," to account 5299, "Other deductions from ordinary income," and to clearing accounts for currently accruing depreciation of wire-telegraph and ocean-cable plant owned by the carrier; also with amounts of depreciation applicable to plant contributed to the carrier and to plant acquired from predecessors, as provided in § 35.1–2 and in paragraph (g) of § 35.1–5. (See also §§ 35.04–1, 35.04–2, 35.04–3, 35.04–4, and 35.30–3.)

(b) As at the effective date of this system of accounts, this account shall be credited with such amount as is necessary to create a credit balance herein equal to the estimated sustained depreciation of all depreciable operated plant owned by the carrier at that date. The difference between such amount and the amount previously provided as a depreciation allowance (or reserve) shall, unless otherwise authorized by the Commission, be charged to account 6120, "Extraordinary current income charges."

(c) This account shall be charged with the cost of depreciable plant retired and with the cost of removal of such plant and shall be credited with the net amounts of recoveries, such as from salvage and from insurance. (See § 35.1–6 and paragraphs (c) and (d) of § 35.41–7.)

(d) Each carrier shall maintain records in which the balance in the account shall be segregated into component parts corresponding to the operated plant accounts and subdivisions thereof which include the cost of depreciable operated plant. (See particularly paragraph (e) of § 35.1–1.)

(e) This account shall be subdivided as follows:

| | |
|---|---|
| 1515:01 | Allowance for depreciation of operated plant owned and used in carrier's service. |
| 1515:02 | Allowance for depreciation of improvements and replacements of operated plant leased from others. |
| 1515:03 | Allowance for depreciation of operated plant leased to others. |
| 1515:04 | Allowance for depreciation of plant held for future communication use. |
| 1515:05 | Allowance for depreciation of messenger uniforms. |

(f) The records supporting the entries in each subaccount in this account shall be so maintained that there may be shown separately (1) the amounts of depreciation credited hereto in accordance with the provisions of paragraphs (a) and (b) hereof, (2) the cost of plant retired, (3) the cost of removal of plant retired, and (4) the credits from salvage and insurance recovered.

NOTE: When plant is transferred from one class of communication service to another or from communication service to noncarrier operations, the accounting for the depreciation applicable thereto shall be as provided in § 35.1–7.

§ 35.1520 *Allowance for amortization; wire-telegraph and ocean-cable plant.* (a) This account shall be credited with amounts charged to account 4915, "Amortization; intangible operated plant," to account 5010, "Income from operated plant leased to others," and to account 5299, "Other deductions from ordinary income," to provide for the extinguishment of amounts included in accounts 82, "Franchises," 83, "Patent rights," 84, "Leaseholds," 85, "Research and development," and 89, "Other intangibles"; also with amounts of amortization applicable to plant contributed to the carrier and to plant acquired from predecessors, as provided in § 35.1–2 and in paragraph (g) of § 35.1–5. (See also § 35.30–3.) It shall be credited with amounts charged to account 6120, "Extraordinary current income charges," to provide for the extinguishment of amounts included in account 81, "Organization."

(b) This account shall be credited or charged, as appropriate, with amounts authorized or directed by the Commission to be charged or credited to accounts 4920, "Amortization of plant-acquisition adjustments," and 5255, "Amortization of plant-acquisition adjustments," to provide for the extinguishments of amounts included in account 1510, "Plant-acquisition adjustments."

(c) As at the effective date of this system of accounts, this account shall be credited with such amount as is necessary to create a credit balance herein equal to the expired service value of intangibles (having a terminable life) the costs of which are includible in accounts 82, "Franchises," 83, "Patent rights," 84, "Leaseholds," 85, "Research and development," and 89, "Other intangibles." The difference between such amount and the amounts previously provided as an amortization allowance (or reserve) shall, unless otherwise authorized by the Commission, be charged to account 6120, "Extraordinary current income charges."

(d) When any franchise, patent right, leasehold, or other intangible item (except one the cost of which is includible in account 85, "Research and development") expires or is sold, relinquished, or otherwise retired from service, the cost thereof shall be credited to the appropriate plant account and this account shall be charged with the amount previously credited hereto with respect to such intangible item. The difference between the foregoing amounts less the proceeds realized at retirement shall be charged to account 6120, "Extraordinary current income charges," or credited to account 6110, "Extraordinary current in-

come credits," as appropriate. The accounting for amounts included herein with respect to plant costs included in account 85 shall be as provided in the text of that account.

(e) The records supporting the entries in this account shall be so maintained as to show the amounts applicable to each intangible item under the following subdivisions:

1520:01 Allowance for amortization of intangibles in carrier's service.
1520:02 Allowance for amortization of intangibles leased to others.
1520:03 Allowance for amortization of plant-acquisition adjustments.
1520:04 Allowance for amortization of intangibles held for future communication use.

§ 35.1530 *Telephone and radiotelegraph plant.* This account shall include the amounts of the balances in the plant accounts maintained for telephone and radiotelegraph plant in conformity with the provisions of paragraphs (a) and (b) of § 35.03–8.

§ 35.1535 *Allowance for depreciation and amortization; telephone and radiotelegraph plant.* This account shall include the amounts of the balances in the allowance accounts maintained for telephone and radiotelegraph plant in conformity with the provisions of paragraphs (a) and (b) of § 35.03–8.

§ 35.1540 *Plant in process of reclassification.* (a) This account shall be charged temporarily with the book cost of plant (formerly called "Plant and equipment") as at December 31, 1942. The detail or primary accounts prescribed in the Uniform System of Accounts for Telegraph and Cable Companies effective on January 1, 1914, with respect to "Plant and equipment," shall be continued in support of this account pending the reclassification prescribed in this system of accounts, but shall not be used for acquisitions (including additions, replacements, and other new construction) subsequent to December 31, 1942.

(b) Retirements of property included herein as at the effective date of this system of accounts shall be credited to this account and to the supporting primary accounts mentioned above until the reclassification has been accomplished.

(c) When the cost (as defined in this system of accounts) of plant included in this account has been determined, this account shall be credited with the book cost thereof. (See particularly accounts 1000 to 1520, inclusive; also §§ 35.1–1 and 35.11 to 35.92, inclusive.)

§ 35.1545 *Plant adjustments.* (a) This account shall include the difference between the original cost, estimated if not known, and the book cost of "Plant and equipment" as at the effective date of this system of accounts to the extent that such difference is not properly includible in account 1510, "Plant-acquisition adjustments." Write-ups of property prior to the effective date of this system of accounts shall be recorded herein.

(b) The amounts included in this account shall be so classified as to show the nature of each amount (included herein) and shall be disposed of as the Commission may approve or direct.

NOTE: The provisions of this account shall not be construed as approving or authorizing the recording of appreciation of plant.

§ 35.1599 *Foreign investment in communication plant.* (a) This account may include the net amount of the acquisition cost of the carrier's communication plant that is located in foreign countries and the related allowances for depreciation and amortization when the detailed amounts are required to be stated in terms of foreign currency or in a manner at variance with the requirements of this system of accounts.

(b) A separate subaccount with appropriate title shall be maintained for the plant located in each foreign country.

(c) The records supporting the entries in this account shall be so maintained that, in reports to the Commission, there may be shown the rates of exchange used in translating the amounts into terms of United States currency.

(d) Each carrier that elects to use this account shall advise the Commission of that fact at least 60 days before the effective date of this system of accounts. Changes from this elective procedure to the alternative procedure prescribed for domestic plant, or vice versa, shall not be made thereafter without submitting to the Commission for its consideration and approval notice of the proposed change at least 90 days before the proposed effective date of such change.

*Investments and Funds*

§ 35.1610 *Miscellaneous physical property.* This account shall include the carrier's investment in physical property other than that used in communication service, except property the cost of which is includible in account 1400, "Plant held for future communication use." It shall include the amount of all assessments for the construction of public improvements levied against miscellaneous physical property. (See also § 35.1–7.)

§ 35.1615 *Allowance for depreciation; miscellaneous physical property.* (a) This account shall be credited with amounts charged to account 5110, "Income from miscellaneous physical property," for the depreciation of depreciable property the cost of which is includible in account 1610, "Miscellaneous physical property."

(b) When miscellaneous physical property is disposed of, this account shall be charged with the amount previously credited hereto with respect to such property. The difference between the book cost of the property retired and the sum of the amount chargeable to this account and the amount of the salvage recovered (or the proceeds from the sale of the property) shall be charged to account 6120, "Extraordinary current income charges," or credited to account 6110, "Extraordinary current income credits," as appropriate. (See also § 35.1–7.)

§ 35.1620 *Investments in affiliates.* (a) This account shall include the book cost of the carrier's investment in securities issued or assumed by affiliates, other than securities of affiliates held in special funds or as temporary investments. It shall include the amount of investment advances to affiliates.

(b) The records supporting the entries in this account shall be so maintained as to show each class of investment in each affiliate under the following subdivisions:

1620:01 Investments in securities of affiliates.
1620:02 Investment advances to affiliates.

NOTE A: The book cost of securities of affiliates owned by the carrier and held in special funds or as temporary investments shall be included in account 1630, "Debt-redemption funds," account 1635, "Employees' provident funds," account 1640, "Insurance funds," account 1645, "Miscellaneous funds held by trustees," account 1659, "Other miscellaneous funds," or account 1725, "Temporary investments," as appropriate.

NOTE B: Advances to affiliates that are subject to current settlement shall be included in account 1749, "Other receivables from affiliates."

§ 35.1629 *Other investments.* (a) This account shall include the book cost of the carrier's investment in securities issued or assumed by nonaffiliates, other than such securities held in special funds or as temporary investments. It shall include the amount of investment advances to nonaffiliates and other investments not provided for elsewhere.

(b) The records supporting the entries in this account shall be so maintained as to show each class of investment includible herein under the following subdivisions:

1629:01 Securities.
1629:02 Investment advances.
1629:99 Other.

NOTE A: The book cost of securities of nonaffiliates owned by the carrier and held in special funds or as temporary investments shall be included in account 1630, "Debt-redemption funds," account 1635, "Employees' provident funds," account 1640, "Insurance funds," account 1645, "Miscellaneous funds held by trustees," account 1659, "Other miscellaneous funds," or account 1725, "Temporary investments," as appropriate.

NOTE B: Advances to nonaffiliates that are subject to current settlement shall be included in account 1759, "Other accounts receivable."

§ 35.1630 *Debt-redemption funds.* (a) This account shall include the book cost of assets that have been segregated in special funds for the purpose of redeeming outstanding long-term debt of the carrier.

(b) A separate subaccount, with appropriate title, shall be maintained for each issue or series of long-term debt for the redemption of which a special fund is maintained.

NOTE: Nothing contained herein shall be construed as preventing the carrier from transferring applicable debt-redemption funds to account 1715, "Special cash deposits," for the purpose of paying matured long-term debt, or obligations called for redemption but not presented, or the interest thereon.

§ 35.1635 *Employees' provident funds.* This account shall include the amount of cash, the book cost of securities of others, and the book amount of nominally issued and nominally outstanding securities issued or assumed by the carrier and other assets held by trustees or managers of employees' pension funds,

savings funds, and relief, hospital, and other association funds (whether contributed by the carrier, by employees, or by others), when such trustees or managers are acting for the carrier in the administration of such funds. (See also §§ 35.10–15 and 35.30–2.)

§ 35.1640 *Insurance funds.* (a) This account shall include the book cost of assets that have been segregated in special funds in connection with those losses contemplated under the carrier's plan for self-carried insurance.

(b) A separate subaccount, with appropriate title, shall be maintained for each class of funds.

§ 35.1645 *Miscellaneous funds held by trustees.* This account shall include the amount of cash and the cost of other assets deposited with trustees to be held until mortgaged property sold, destroyed, or otherwise disposed of is replaced; also the amount of cash realized from the sale of the carrier's securities and deposited with trustees to be held until invested in property for the carrier. When the purposes of such deposits are satisfied and the deposits are released, this account shall be credited with the amounts released.

§ 35.1659 *Other miscellaneous funds.* (a) This account shall include the book cost of assets that have been segregated in special funds for specific purposes not provided for elsewhere.

(b) A separate subaccount, with appropriate title, shall be maintained for each class of funds.

§ 35.1698 *Amortized discount and premium on investment securities.* (a) This account shall include the amount of amortized discount and premium charged or credited as interest from securities held as long-term investments, as provided in § 35.10–7.

(b) A separate subaccount, with appropriate title, shall be maintained for each issue or series of securities with respect to which amounts are entered herein, with an appropriate reference to the account in which the cost of the securities is recorded.

§ 35.1699 *Allowance for doubtful investments.* (a) This account shall be credited with amounts charged to account 6120, "Extraordinary current income charges," to provide for the doubtful value of investments.

(b) When securities are sold or otherwise disposed of, or their book cost is reduced to a nominal value, this account shall be charged with any amounts covered by credits hereto with respect to such securities.

*Current Assets*

§ 35.1710 *Cash.* This account shall include the amount of current funds available for use on demand or otherwise subject to disbursement on behalf of the carrier by its officers, agents, or employees, including those funds in the hands of financial officers and agents, deposited in banks or with trust companies, and in transit.

§ 35.1715 *Special cash deposits.* (a) This account shall include the amount of cash in special deposits, other than in debt-redemption and other funds, for the payment of interest, dividends, and other debts when such payments are due 1 year or less from the date of deposit; also the amount of cash deposited to insure the performance of contracts to be performed within 1 year from the date of deposit, and other cash deposits for specific purposes not provided for elsewhere. When the purposes of such deposits are satisfied and the deposits are released, this account shall be credited with the amounts released.

(b) This account shall be subdivided as follows:

1715:01 Special deposits—Interest.
1715:02 Special deposits—Dividends.
1715:99 Special deposits—Other.

§ 35.1720 *Working cash advances.* This account shall include the amounts of cash advanced to officers, agents, and employees, particularly cash or working funds from which certain expenditures are to be made and accounted for.

§ 35.1725 *Temporary investments.* (a) This account shall include the book cost of securities acquired for the purpose of temporarily investing cash, such as demand and time loans, bankers' acceptances, United States Treasury certificates, and other similar investments.

(b) This account shall be subdivided as follows:

1725:01 Temporary investments—Affiliates.
1725:99 Temporary investments—Other.

§ 35.1730 *Receivables from customers.* (a) This account shall include amounts receivable from customers for services.

(b) The records supporting the entries in this account shall be so maintained as to show separately (1) amounts charged for services rendered, and (2) amounts charged for services to be rendered. (See also § 35.2155.)

NOTE A: Amounts representing revenues accrued but not due shall be included in account 1770, "Unmatured accrued receivables."

NOTE B: Amounts receivable from other carriers for participation in transmission shall be included in the accounts maintained in accordance with § 35.03–19.

NOTE C: Amounts due on notes accepted in settlement of customers' accounts shall be included in account 1751, "Notes receivable."

§ 35.1742 *Traffic settlements receivable from affiliates.* This account shall include the total of the amounts receivable from affiliated carriers against each of which there is a net debit balance in the accounts maintained for traffic settlements. (See § 35.03–19.)

§ 35.1749 *Other receivables from affiliates.* (a) This account shall include amounts receivable from affiliates not provided for elsewhere. (See particularly §§ 35.1725, 35.1730, 35.1742, 35.1770, 35.1775, and 35.1785.)

(b) This account shall be subdivided as follows:

1749:01 Matured interest receivable.
1749:02 Declared dividends receivable.
1749:03 Matured rents receivable.
1749:04 Current notes receivable. (See also § 35.1620.)
1749:99 Other accounts receivable.

(c) In stating the balance sheet there may be included in this account the net amounts receivable from affiliates against each of which there is a net debit balance between amounts in this account and amounts in account 2129, "Other payables to affiliates."

Receivables From Nonaffiliates

§ 35.1751 *Notes receivable.* (a) This account shall include amounts receivable from persons other than affiliates on notes, drafts, acceptances, and other evidences of indebtedness, payable on demand or not more than 1 year from the date of issuance. (See also § 35.1629.)

(b) The book amount of items includible herein that are discounted or sold without releasing the carrier from liability thereon, shall be credited to this account and reported as a contingent liability. (See particularly § 35.10–16.)

(c) This account shall be subdivided as follows:

1751:01 Receivable from officers and employees.
1751:99 Receivable from others.

§ 35.1752 *Traffic settlements receivable.* This account shall include the total of the amounts receivable from persons other than affiliates against each of whom there is a net debit balance in the accounts maintained for traffic settlements. (See § 35.03–19.)

§ 35.1753 *Matured interest receivable.* This account shall include amounts representing earned interest receivable from persons other than affiliates that is matured and subject to current settlement.

NOTE A: Earned interest receivable that is accrued but unmatured shall be included in account 1770, "Unmatured accrued receivables."

NOTE B: Matured interest receivable that is not subject to current settlment shall be included in the account in which the principal amount is carried.

§ 35.1754 *Declared dividends receivable.* This account shall include amounts representing declared dividends on stocks owned (other than stocks of affiliates) that become matured not later than the first day following the date of the balance sheet.

NOTE A: Declared dividends receivable from affiliates shall be included in account 1749, "Other receivables from affiliates."

NOTE B: Declared dividends receivable that do not mature until after the first day following the date of the balance sheet shall be included in account 1770, "Unmatured accrued receivables."

§ 35.1755 *Matured rents receivable.* This account shall include amounts representing rentals receivable from persons other than affiliates that are matured and subject to current settlement.

NOTE A: Rentals receivable that are accrued but unmatured shall be included in account 1770, "Unmatured accrued receivables."

NOTE B: Amounts receivable for minor rentals shall be included in account 1730, "Receivables from customers."

§ 35.1759 *Other accounts receivable.* (a) This account shall include the amounts of receivables from persons other than affiliates not provided for elsewhere. (See §§ 35.1725 and 35.1730;

also §§ 35.1751 to 35.1758, inclusive, and §§ 35.1770, 35.1775, and 35.1785.)

(b) This account shall be subdivided as follows:

1759:01 Officers and employees.
1759:99 Others.

(c) In stating the balance sheet there may be included in this account the total of the net amounts receivable from persons other than affiliates against each of whom there is a net debit balance between amounts in this account and amounts in account 2139, "Other accounts payable."

§ 35.1765 *Allowance for uncollectible receivables.* (a) This account shall be credited with amounts charged to account 4935, "Uncollectible revenues," account 5299, "Other deductions from ordinary income," and account 6120, "Extraordinary current income charges," to provide for uncollectible receivables, under a plan consistently followed and adjusted for errors in estimates.

(b) This account shall be charged with any amounts covered herein that are determined to be impracticable of collection and shall be credited with amounts collected that previously were charged hereto.

(c) The records supporting the entries in this account shall be so maintained as to show the amount applicable to each class of receivables for which allowances are established, and also the account that was charged with each credit in this account.

§ 35.1770 *Unmatured accrued receivables.* (a) This account shall include the amounts of revenue estimated to have accrued for services not billed but subsequently billable and not due under contract and the amounts of interest, rent, and other items accrued, and dividends declared prior to the date for which the balance sheet is made, but not receivable until after the first day following that date.

(b) This account shall be subdivided as follows:

1770:01 Accrued communication revenue.
1770:02 Accrued interest.
1770:03 Declared dividends.
1770:04 Accrued rents.
1770:99 Other accrued receivables.

§ 35.1775 *Subscriptions to capital stock.* (a) The amount of each subscription to capital stock of the carrier shall be charged to this account at the time the subscription is accepted. The book amount of the stock subscribed shall be credited to account 2420, "Capital stock subscribed; unissued." The difference between the foregoing amounts shall be charged or credited, as appropriate, to the discount and premium account maintained under the provisions of paragraph (*a*) of § 35.10–13. (See also §§ 35.10–9 and 35.1780.)

(b) This account shall be subdivided as follows:

1775:01 Amounts subscribed by affiliates.
1775:02 Amounts subscribed by officers and employees.
1775:03 Amounts subscribed by underwriters.
1775:99 Amounts subscribed by others.

§ 35.1780 *Deposits on subscriptions to capital stock.* (a) This account shall be credited with amounts received as payments on subscriptions to capital stock.

(b) When payment for the total amount of a subscription has been received, this account shall be charged and account 1775, "Subscriptions to capital stock," shall be credited with such total amount.

(c) Any amounts in this account which become the property of the carrier by forfeiture shall be charged hereto and credited to account 2599, "Other capital surplus."

(d) This account shall be subdivided as follows:

1780:01 Deposits received from affiliates.
1780:02 Deposits received from officers and employees.
1780:03 Deposits received from underwriters.
1780:99 Deposits received from others.

§ 35.1785 *Subscriptions to bonds.* (a) The amount of each subscription to bonds of the carrier shall be charged to this account at the time the subscription is accepted. The face amount of the bonds subscribed shall be credited to account 2020, "Bonds subscribed; unissued." The difference between the foregoing amounts shall be charged or credited, as appropriate, to the discount and premium account maintained under the provisions of paragraph (a) of § 35.10–14. (See also § 35.1790.)

(b) This account shall be subdivided as follows:

1785:01 Amounts subscribed by affiliates.
1785:02 Amounts subscribed by officers and employees.
1785:03 Amounts subscribed by underwriters.
1785:99 Amounts subscribed by others.

§ 35.1790 *Deposits on subscriptions to bonds.* (a) This account shall be credited with amounts received as payments on subscriptions to bonds of the carrier.

(b) When payment for the total amount of a subscription has been received, this account shall be charged and account 1785, "Subscriptions to bonds," shall be credited with such total amount.

(c) Any amounts in this account which become the property of the carrier by forfeiture shall be charged hereto and credited to account 6110, "Extraordinary current income credits."

(d) This account shall be subdivided as follows:

1790:01 Deposits received from affiliates.
1790:02 Deposits received from officers and employees.
1790:03 Deposits received from underwriters.
1790:99 Deposits received from others.

§ 35.1795 *Material and supplies.* (a) This account shall include the cost (consideration being given to the adjustments outlined in paragraphs (b), (c), (d), and (e) of this section) of unapplied material and supplies held for use in communication service (including plant supplies, unissued small tools, fuel, stationery, other supplies, and supply expense), and of material and articles of the carrier in process of conversion and manufacture for supply stock.

(b) Cost shall include the purchase price at the point of free delivery, plus customs duties, excise taxes, and other taxes on purchases, insurance, cost of inspection, special tests prior to acceptance, loading and unloading, transportation, and other directly assignable charges. (Transportation and other charges impracticable of inclusion in the cost of the particular material to which they relate shall be charged to account 9016, "Supply clearing account.")

(c) Cash and other discounts on material shall be deducted from the cost of the particular material to which they relate or credited to the account to which the material is charged. (When impracticable of such treatment they shall be credited to account 9016, "Supply clearing account.")

(d) Material recovered in connection with construction, maintenance, or retirement of plant shall be included in this account as follows:

(1) Reusable material shall be included in the appropriate subdivision of this account at original cost, estimated if not known.

(2) The cost of repairing reusable material shall be charged to the appropriate operating-expense account.

(3) Scrap and nonusable material shall be included in this account at the estimated net amount realizable therefrom. The differences between the amounts realized for scrap and nonusable material sold and the amount at which the material was included in this account shall be adjusted to the accounts credited when the material was charged to this account. (When impracticable of such treatment, the differences shall be adjusted to account 9016, "Supply clearing account.")

(e) Inventories of material and supplies shall be taken during each calendar year and the necessary adjustments shall be made to bring the balance in this account into agreement with the actual inventories. In effecting the adjustments, differences that can be assigned to important classes of material shall be equitably adjusted among the accounts to which such classes of material were charged subsequent to the previous inventory. Other differences shall be equitably apportioned among the accounts to which material has been charged since the last inventory or included in account 9016, "Supply clearing account."

(f) This account shall be subdivided as follows:

1795:01 Material held for use in the carrier's communication operations.
1795:02 Material in process.
1795:03 Merchandise known to be held predominantly for sale or resale, or for use in jobbing or contracting operations.
1795:04 Material and supplies held for other than communication operations.
1795:05 Undistributed supply items. (See § 35.90–2.)

NOTE A: This account shall not include amounts representing cost of material or articles the title to which is not vested in the carrier.

NOTE B: Interest on material bills the payment of which has been delayed shall be charged to account 5235, "Other interest charges."

§ 35.1799 *Other current assets.* (a) This account shall include the amounts

of current assets not provided for elsewhere.

(b) The records supporting the entries in this account shall be so maintained as to show full details concerning each item included herein.

*Prepayments*

§ 35.1810 *Prepaid insurance.* This account shall be charged with the amounts of insurance premiums paid in advance. As the term expires for which the insurance premiums were paid, this account shall be credited at monthly intervals and the appropriate accounts charged.

§ 35.1815 *Prepaid rents.* This account shall be charged with the amounts of rents paid in advance. As the term expires for which the rents were paid, this account shall be credited at monthly intervals and the appropriate accounts charged.

§ 35.1820 *Prepaid taxes.* This account shall be charged with the amounts of taxes paid in advance. As the term expires for which the taxes were paid, this account shall be credited at monthly intervals and the appropriate accounts charged.

§ 35.1899 *Other prepayments.* This account shall be charged with the amounts of prepayments not provided for elsewhere. As the term expires for which the payments were made, this account shall be credited at monthly intervals and the appropriate accounts charged.

*Deferred Charges*

§ 35.1910 *Extraordinary maintenance, depreciation, and retirements.* This account shall include such amounts of the unprovided-for loss in service value of plant retired for causes not contemplated in prior allowances for depreciation as are authorized or directed by the Commission to be included herein. (See also § 35.04–4.) It shall also include such other amounts as may be authorized or directed by the Commission to be included herein.

§ 35.1915 *Capital-stock expense.* (a) This account shall include the amounts of stock expenses that have not been charged to account 6120, "Extraordinary current income charges." (See particularly § 35.10–13.)

(b) A separate subaccount, with appropriate title, shall be maintained for stock expenses applicable to each class of capital stock.

NOTE: Expenses incurred in connection with the reacquisition and resale of capital stock shall be accounted for as provided in § 35.10–9.

§ 35.1920 *Long-term debt expense.* (a) This account shall include the amounts of debt expenses that have not been charged to account 5245, "Amortization of debt expense," or to account 6120, "Extraordinary current income charges." (See particularly § 35.10–14.)

(b) A separate subaccount, with appropriate title, shall be maintained for debt expenses applicable to each issue or series of long-term debt.

NOTE: Expenses incurred in connection with the reacquisition and resale of long-term debt shall be accounted for as provided in § 35.10–14.

§ 35.1925 *Discount on capital stock.* This account shall include the total of the debit balances in the accounts for discount and premium on capital stock. (See particularly § 35.10–13.)

§ 35.1930 *Unamortized discount on debt.* This account shall include the total of the debit balances in the accounts for discount and premium on long-term debt. (See particularly § 35.10–14.)

§ 35.1935 *Preliminary survey and investigation charges.* (a) This account shall be charged with all preliminary expenditures for surveys, plans, investigations, etc., made for the purpose of determining the feasibility of major projects under contemplation such as the construction, retirement, purchase, or sale of plant. If a project is authorized, the amounts applicable thereto shall be credited to this account and charged to the appropriate accounts. (See also note at the end of this section.) If a project is abandoned, the amounts applicable thereto shall be credited to this account and, when borne by the carrier, shall be charged to account 6120, "Extraordinary current income charges," unless otherwise authorized or directed by the Commission.

(b) The records supporting the entries in this account shall be so maintained that the carrier can furnish complete information as to the nature and purpose of the surveys, plans, or investigations, and the nature and respective amounts of the charges.

NOTE: The amount of preliminary survey and investigation charges transferred to the plant accounts shall not exceed the expenditures which may reasonably be determined to contribute directly and immediately and without duplication to the plant. (See also § 35.03–7.)

§ 35.1940 *Debit balances in clearing accounts.* This account shall include the total of the debit balances (i. e., the amounts that affect the accounting for future periods) remaining in all clearing accounts except account 9016, "Supply clearing account." (See particularly § 35.90–2.)

§ 35.1999 *Other deferred charges.* (a) This account shall include the amounts of deferred charges not provided for elsewhere. (See also § 35.03–15.)

(b) The records supporting the entries in this account shall be so maintained that the carrier can furnish complete information as to each item included herein.

*Long-Term Debt*

§ 35.2010 *Bonds actually issued.* (a) This account shall include the face amount of actually issued and unmatured bonds that have not been retired or canceled; and also the face amount of such bonds issued by others the payment of which has been assumed by the carrier. (See particularly §§ 35.10–7, 35.10–8, and 35.10–17.)

(b) A separate ledger account, with appropriate title, shall be maintained for each issue or series of bonds.

NOTE A: Discount, expense, and premium on bonds shall be accounted for as provided in § 35.10–14.

NOTE B: Matured bonds shall be included in account 2120, "Matured long-term debt."

§ 35.2015 *Bonds reacquired.* (a) This account shall include the face amount of bonds actually issued or assumed by the carrier and reacquired by it and held under conditions that do not permit the carrier to treat such bonds as retired or canceled but do permit their resale. It shall not include securities that are held by trustees of debt-redemption or other funds.

(b) When any issue of bonds, or portion thereof, is reacquired, the acquisition cost of the bonds and the amount of unamortized discount, expense, or premium applicable thereto shall be accounted for as provided in § 35.10–14.

(c) When reacquired bonds are sold, the book amount of the bonds shall be credited to this account and the difference between such amount and the amount received from the sale less commissions and expenses incurred in the sale shall be charged to account 6120, "Extraordinary current income charges," or credited to account 6110, "Extraordinary current income credits," as appropriate.

(d) A separate subaccount, with appropriate title, shall be maintained for each issue or series of bonds reacquired.

§ 35.2020 *Bonds subscribed; unissued.* (a) This account shall include the face amount of bonds for which legally enforceable subscriptions have been received but for which evidences of indebtedness have not been issued.

(b) When the amount of each subscription is received and the evidences of indebtedness are issued, this account shall be charged and account 2010, "Bonds actually issued," shall be credited with the face amount of such bonds.

(c) Interest that has accrued on the evidences of indebtedness issued to subscribers shall be accounted for through the appropriate interest account.

(d) A separate subaccount, with appropriate title, shall be maintained for subscriptions to each issue or series of bonds.

§ 35.2025 *Receivers' and trustees' securities.* This account shall include the book amount of the evidences of indebtedness issued by receivers or trustees in possession of the property of the carrier and acting under the orders of a court.

§ 35.2030 *Advances from affiliates.* (a) This account shall include the amounts owed to affiliates on notes maturing more than 1 year from date of issuance or origin and the amounts of open accounts representing investment advances from affiliates.

(b) This account shall be subdivided as follows:

2030:01 Notes.
2030:02 Open accounts.

NOTE: Notes and open accounts representing indebtedness to affiliates that are subject to current settlement shall be included in account 2129, "Other payables to affiliates."

§ 35.2099 *Other long-term debt.* (a) This account shall include the amounts

of all long-term debt not provided for elsewhere.

(b) The records supporting the entries in this account shall be so maintained that the carrier can furnish complete information as to each item included herein.

*Current Liabilities*

§ 35.2101 *Unpaid wages.* This account shall include the amounts of accrued wages as at the date of the balance sheet, and the amounts of unclaimed wages not represented by outstanding checks and not yet subject to the provisions of paragraph (c) of § 35.10–5.

§ 35.2111 *Liability for tax collections.* (a) This account shall include amounts collectible or collected (directly or through the pay roll deduction or other method) by the carrier from customers, employees, or other third persons and payable to the United States or to State, local, or foreign governments.

(b) This account shall be subdivided, as indicated below, so as to show separately (1) the amounts due the United States under the provisions of the Social Security Act, (2) amounts due State or local governments under the provisions of statutes related to or similar to the Social Security Act, (3) amounts due the United States for taxes on the transmission of messages and the leasing of facilities, and (4) other amounts due governments:

2111:01 Federal social security.
2111:02 State or local social security.
2111:03 Federal message (and leased-facility).
2111:99 Other.

§ 35.2113 *Unpaid money-orders.* This account shall include the amounts of money-orders, travelers' cheques, C. O. D. checks, letters of credit, and similar forms of sight or demand checks and drafts drawn by agents on the carrier and outstanding in the hands of payees or drawn on express or other companies and not paid to the drawees. It shall also include the amounts appearing on receipts or on similar evidences of the acceptance of funds for transmittal issued by agents of the company and not yet represented by any of the above-mentioned types of sight or demand instruments.

§ 35.2115 *Customers' deposits.* This account shall include amounts deposited with the carrier by customers as security for the payment of bills. (See also § 35.2315.)

§ 35.2120 *Matured long-term debt.* This account shall include the amount of long-term debt and receivers' and trustees' securities, including any obligations for premiums, matured and unpaid without specific agreement for extension of maturity. It shall include the amounts of bonds drawn or called for redemption but not presented.

§ 35.2122 *Traffic settlements payable to affiliates.* This account shall include the total of the amounts payable to affiliated carriers in favor of each of which there is a net credit balance in the accounts maintained for traffic settlements. (See particularly § 35.03–19.)

§ 35.2129 *Other payables to affiliates.* (a) This account shall include amounts payable to affiliates not provided for elsewhere. (See particularly §§ 35.2122, 35.2165, 35.2170, and 35.2180.)

(b) This account shall be subdivided as follows:

2129:01 Matured interest payable.
2129:02 Matured rents payable.
2129:03 Current notes payable. (See also § 35.2030.)
2129:99 Other accounts payable.

(c) In stating the balance sheet there may be included in this account the net amounts payable to affiliates in favor of each of which there is a net credit balance between amounts in this account and amounts in account 1749, "Other receivables from affiliates."

Payables to Nonaffiliates

§ 35.2131 *Notes payable.* This account shall include amounts payable to persons other than affiliates on notes, drafts, acceptances, and other evidences of indebtedness payable on demand or not more than 1 year from the date of issuance. (See also paragraph (b) of § 35.1751.)

NOTE: Notes payable to nonaffiliates more than 1 year from the date of issuance shall be included in account 2099, "Other long-term debt."

§ 35.2132 *Traffic settlements payable.* This account shall include the total of the amounts payable to persons other than affiliates in favor of each of whom there is a net credit balance in the accounts maintained for traffic settlements. (See particularly § 35.03–19.)

§ 35.2133 *Matured interest payable.* (a) This account shall include the amount of matured interest that is subject to current settlement and payable to persons other than affiliates on long-term debt or other obligations of the carrier. (See also § 35.2165.)

(b) The records supporting the entries in this account shall be so maintained as to show separately the rate and amount of interest included herein by reference to the obligation to which the interest relates.

NOTE: Matured interest payable that is not subject to current settlement shall be included in the account in which the principal amount is recorded.

§ 35.2134 *Dividends payable.* (a) This account shall include the amount of declared dividends that are payable not later than the first day following the date of the balance sheet and that for any reason have not been paid. (See particularly § 35.2164.)

(b) The records supporting the entries in this account shall be so maintained as to show the amount of dividends includible herein by the classes of capital stock to which they relate.

§ 35.2135 *Matured rents payable.* This account shall be credited with the amounts charged to the income accounts and the amounts of the clearances from account 2170, "Rent accruals," representing matured rents payable to persons other than affiliates.

§ 35.2139 *Other accounts payable.* (a) This account shall include the amounts of payables to persons other than affiliates not provided for elsewhere, including the amounts of vouchers that have been approved for payment but remain unpaid as at the date of the balance sheet. (See §§ 35.2099, 35.2101, 35.2111, 35.2113, and 35.2115; also §§ 35.2131 to 35.2138, inclusive, and §§ 35.2160 to 35.2180, inclusive.)

(b) In stating the balance sheet there may be included in this account the total of the net amounts payable to persons other than affiliates in favor of each of whom there is a net credit balance between amounts in this account and amounts in account 1759, "Other accounts receivable."

§ 35.2155 *Advance billings.* (a) This account shall be credited with the amounts of bills rendered for services to be furnished in future accounting periods.

(b) This account shall be charged and the appropriate operating-revenue accounts, income accounts, or asset accounts shall be credited as the services are rendered or as adjustments are approved.

NOTE: This account shall not include amounts representing advances for construction. (See particularly § 35.2315.)

§ 35.2160 *Liability on installment-plan sales of capital stock.* (a) This account shall include the amounts of receipts (obtained either directly or through pay-roll deductions) from employees and others, other than on subscriptions, as partial payments on capital stock of the carrier.

(b) When amounts so received equal the agreed purchase price for capital stock, this account shall be charged and account 2410, "Capital stock issued," or account 2415, "Capital stock reacquired," as appropriate, shall be credited with the book amount of such stock. Any discount or premium on original issues shall be included in the appropriate discount and premium account.

(c) When amounts included herein are forfeited, by purchasers, this account shall be charged and account 2599, "Other capital surplus," shall be credited with the amounts so forfeited.

(d) When, for any reason, receipts under this plan are refunded to purchasers, this account shall be charged with the amount of such refunds, to the extent that the refunds represent amounts of principal installment receipts.

(e) Any amounts credited to purchasers as interest on installment receipts shall be charged to account 5235, "Other interest charges." Any amount by which refunds on uncompleted purchases fail to equal the amounts received from purchasers shall be charged to this account and credited to account 2599, "Other capital surplus."

(f) This account shall be subdivided as follows:

2160:02 Receipts from officers and employees.
2160:99 Receipts from others.

Liability Accruals

§ 35.2164 *Dividends declared.* (a) This account shall include the amount of declared dividends payable at a date

subsequent to the first day following the date of the balance sheet. (See particularly § 35.2134.)

(b) The records supporting the entries in this account shall be so maintained as to show the amount of dividends declared on each class of capital stock.

§ 35.2165 *Interest accruals.* (a) This account shall be credited monthly with amounts charged to account 5210, "Interest on long-term debt," account 5215, "Interest on indebtedness to affiliates," account 5235, "Other interest charges," and other appropriate accounts representing proportionate amounts, applicable to the period, of interest liabilities that have not matured.

(b) When any item of interest included herein has matured, the amount thereof shall be cleared by a charge to this account and a credit to account 2133, "Matured interest payable," or other appropriate account.

§ 35.2170 *Rent accruals.* (a) This account shall be credited monthly with amounts charged to account 5205, "Rent for lease of operated plant," account 4261, "Rents for operating offices," account 4269, "Rents for other facilities," and other appropriate accounts representing proportionate amounts, applicable to the period, of rent liabilities that have not matured.

(b) When the obligation with respect to which any item included herein has matured, the amount of such item shall be cleared by a charge to this account and a credit to account 2135, "Matured rents payable," or other appropriate account.

§ 35.2175 *Tax accruals.* (a) This account shall be credited monthly with the amount of taxes applicable to the period, and corresponding charges shall be made to the appropriate accounts. Such credits may be based upon estimates, but from time to time, as the facts become known, the amounts of the periodic credits shall be adjusted so as to include, as nearly as can be determined in each year, the taxes applicable to that year.

(b) The records supporting the entries in this account shall be so maintained that the carrier can furnish information as to the amounts by classes of taxes and taxing authorities, the basis for each tax determination, and the accounts to which charged.

NOTE A: Interest on tax assessments the payment of which has been delayed shall be charged to account 5233, "Interest on past-due tax assessments."

NOTE B: Taxes such as social security taxes collected from employees and message taxes collected from customers shall be included in account 2111, "Liability for tax collections."

NOTE C: Any amount representing a prepayment of taxes applicable to a subsequent period shall be included in account 1820, "Prepaid taxes."

§ 35.2180 *Other liability accruals.* (a) This account shall be credited with the amounts of liability accruals not provided for elsewhere.

(b) When the obligation with respect to which any item included herein has matured, the amount of such item shall be cleared by a charge to this account and a credit to the appropriate account according to the nature of the matured item.

§ 35.2199 *Other current liabilities.* (a) This account shall include the amounts of current liabilities not provided for elsewhere. (See particularly paragraph (c) of § 35.10–5.)

(b) The records supporting the entries in this account shall be so maintained as to show full details concerning each item included herein.

*Provisions for Future Settlements*

NOTE: See particularly § 35.10–11.

§ 35.2210 *Provisions for employees' pensions and welfare.* (a) This account shall include specific appropriations of income and the amounts contributed by employees or others (whether carried in special trust funds or in the general funds of the carrier) for pensions, accident and death benefits, savings, relief, hospital, and other provident purposes, when administered by trustees or managers acting for the carrier.

(b) This account shall include also the amount accrued for pensions through charges to account 4327, "Relief and pensions." Amounts so credited shall, when actually paid to retired employees or paid into a trust fund irrevocably devoted to the payment of pensions, be charged hereto.

§ 35.2215 *Provisions for self-carried insurance.* (a) This account shall include provisions to cover self-carried risks for losses through accident, fire, flood, or other causes, other than provisions made in the allowance for depreciation.

(b) This account shall also be credited with the amounts that are charged to account 4323, "Workmen's compensation," in accordance with paragraph (b) of that account.

(c) Amounts included in this account shall be computed upon a basis of rates which fairly cover the risks incurred. These rates shall be determined according to the carrier's experience and best estimate as to the hazard covered. A schedule of risks covered by this account shall be maintained giving a description of the property or the character of the risks covered.

(d) If the carrier reinsures with insurance companies risks initially covered in this account, the premiums for such reinsurance shall be charged hereto.

(e) To the extent that losses and damages sustained or awards made are covered by this account, an amount equal thereto shall be charged to this account and credited to the accounts appropriate for the losses and damages sustained or awards made.

(f) This account shall be subdivided as follows:

2215:01 Workmen's compensation insurance.
2215:99 Other insurance.

NOTE A: Accretions to this account shall not be made in excess of a reasonable provision against losses of the character provided for.

NOTE B: All losses and damages sustained or awards made, including those covered by commercial insurance or by this account, shall be charged in the first instance to the allowance - for - depreciation, construction, maintenance, injuries-and-damages, workmen's-compensation, or other appropriate account, according to the character of the loss. Insurance recovered or amounts chargeable to this account on account of losses and damages sustained shall be credited to the account in which the losses and damages stand charged.

§ 35.2220 *Provisions for equalization of maintenance expenses.* (a) This account shall be credited with such amounts as the Commission may authorize or direct to be charged to account 4180, "Maintenance-expense equalization," under a plan to equalize maintenance expenses.

(b) When maintenance work is performed for which provision has been made in this account, the cost of such work shall be charged to the appropriate maintenance accounts. Concurrently this account shall be charged and account 4180 shall be credited with an amount equal to the provision for the cost of such maintenance work.

(c) The carrier's application to the Commission for permission to institute an equalization program shall show full details as to the plan of administration of the program, the character of the work to which amounts accrued may subsequently be applied, and the amount of the monthly or annual accruals for equalization purposes.

(d) A separate subaccount, with appropriate title, shall be maintained for each project or program for which provision is made in this account.

§ 35.2225 *Provisions for depreciation and replacement of operated plant leased from others.* (a) This account shall be credited with amounts charged to account 4910, "Depreciation," for currently accruing depreciation of operated plant leased from others when the carrier, as lessee, is required to replace or to restore the condition of such plant and when such amounts are not subject to current reimbursement to the lessor.

(b) This account shall be charged with the cost of leased plant retired and the cost of removal when, under the terms of the lease, the carrier, as lessee, is required to replace or to restore the condition of plant leased from others. It shall be credited with the salvage value and any other amounts recovered from such retired plant. (See also § 35.1–5.)

(c) As at the effective date of this system of accounts, this account shall be credited with such amounts as are necessary to record herein the service value of operated plant leased from others that has expired during the periods of effective leasing agreements under which the carrier, as lessee, is required to replace or to restore the condition of such plant, and when such amounts are not subject to current settlement with the lessor. This includes amounts with respect to depreciable operated plant that has been retired during the periods of such agreements and the expired service value of such plant still in the service of the carrier. The amounts thus credited shall, unless otherwise authorized by the Commission, be charged to account 6120, "Extraordinary current income charges."

(d) The amount in this account with respect to each leasing agreement shall be

cleared at the expiration of the lease as provided in paragraph (k) of § 35.1–6.

(e) The records supporting the entries in this account shall be so maintained as to show the amount included herein with respect to each leasing agreement.

§ 35.2230 *Leased operated plant retired.* (a) This account shall be credited with the cost of leased operated plant retired when the carrier, as lessee, is required to replace or to restore the condition of plant leased from others. (See also § 35.1–5.)

(b) As at the effective date of this system of accounts, this account shall be credited, and account 2225, "Provisions for depreciation and replacement of operated plant leased from others," shall be charged with the original cost of operated plant leased from others that has been retired since the date of each effective leasing agreement under which the carrier, as lessee, is required to replace or to restore the condition of such plant, and when the cost of such replacement or restoration is not subject to current settlement with the lessor.

(c) The amount in this account with respect to each leasing agreement shall be cleared at the expiration of the lease as provided in paragraph (k) of § 35.1–6.

(d) The records supporting the entries in this account shall be so maintained as to show the amount included herein with respect to each leasing agreement.

§ 35.2299 *Other provisions for future settlements.* (a) This account shall include the amounts of provisions for future settlements not provided for elsewhere, including reasonable provisions for uninsured casualty liabilities charged to account 4325, "Injuries and damages."

(b) The records supporting the entries in this account shall be so maintained as to show complete details concerning each item included herein.

*Deferred Credits*

§ 35.2310 *Unamortized premium on debt.* This account shall include the total of the credit balances in the accounts for discount and premium on long-term debt. (See particularly paragraph (c) of § 35.10–14.)

§ 35.2315 *Advances for construction.* (a) This account shall include the entire amount of advances for construction that are to be repaid in full or in part.

(b) When full repayment is made of the amount to which the person making the advance is entitled, according to the agreement or rule under which the advance is made, the balance, if any, remaining in this account shall be transferred to account 2515, "Contributions of plant."

§ 35.2320 *Credit balances in clearing accounts.* This account shall include the total of the credit balances (i. e., the amounts that affect the accounting for future periods) remaining in all clearing accounts except 9016, "Supply clearing account." (See particularly § 35.90–2.)

§ 35.2399 *Other deferred credits.* (a) This account shall include the amount of deferred credits not provided for elsewhere. (See also § 35.03–15.)

(b) The records supporting the entries in this account shall be so maintained that the carrier can furnish complete information as to each item included herein.

*Capital Stock*

§ 35.2410 *Capital stock issued.* (a) This account shall include the book amount of actually issued capital stock. (See particularly § 35.10–9; also §§ 35.10–13 and 35.10–17.)

(b) When any class of capital stock or portion thereof is retired or canceled, this account shall be charged with the amount at which such stock is carried herein.

(c) Separate subaccounts shall be maintained to show the book amount of each class of stock as provided in § 35.10–9.

NOTE A: When a levy or assement (not including a call for payment on subscriptions) is made against holders of capital stock, the amount collected upon such levy or assessment shall be accounted for in accordance with paragraph (d) of § 35.10–13.

NOTE B: Discount, expense, and premium on capital stock shall be accounted for in accordance with § 35.10–13.

§ 35.2415 *Capital stock reacquired.* (a) This account shall include the book amount of capital stock actually issued by the carrier and reacquired by it, except stock which is held by trustees of debt-redemption and other funds. No par stock shall be included in this account at the proportionate part of the total amount at which the particular class of stock is included in account 2410, "Capital stock issued."

(b) When any class of capital stock or portion thereof is reacquired or retired, the acquisition cost of the stock and the amount of unamortized discount, expense, or premium applicable thereto shall be accounted for in accordance with paragraph (d) of § 35.10–9.

(c) When reacquired capital stock is sold, the book amount of the stock shall be credited to this account and the difference between such amount and the amount received from the sale shall be accounted for in accordance with paragraph (f) of § 35.10–9.

(d) A separate subaccount, with appropriate title, shall be maintained for each class of capital stock reacquired.

§ 35.2420 *Capital stock subscribed; unissued.* (a) This account shall include the book amount of capital stock for which legally enforceable subscriptions have been received but for which stock certificates have not been issued. (See also § 35.2160.)

(b) When the amount of each subscription is received and stock certificates are issued, this account shall be charged and account 2410, "Capital stock issued," shall be credited with the book amount of such stock.

(c) A separate subaccount, with appropriate title, shall be maintained for each class of capital stock.

§ 35.2425 *Obligations for stock conversion.* (a) This account shall include the book amount of capital stock that the carrier has agreed to exchange for the outstanding securities of other companies which have not been surrendered for exchange. (See particularly § 35.10–8.)

(b) When the securities of the other companies have been surrendered, this account shall be charged and account 2410, "Capital stock issued," shall be credited with the book amount of the stock given in exchange.

(c) A separate subaccount, with appropriate title, shall be maintained for each class of capital stock.

*Capital Surplus*

§ 35.2510 *Premiums and assessments on capital stock.* This account shall include the total of the credit balances in the capital-stock discount and premium accounts. (See particularly § 35.10–13.)

§ 35.2515 *Contributions of plant.* (a) This account shall include the amounts of money or its equivalent contributed directly or indirectly to the carrier for the construction or acquisition of plant. See particularly paragraphs (a) and (b) of § 35.1–2.)

(b) The amounts credited to this account shall not be transferred to any other account without the approval of the Commission.

(c) The records supporting the entries in this account shall be so maintained as to show complete information with respect to each contribution, including the amount and purpose, the conditions upon which it was made, and the name of the donor. (See also § 35.1–2 (g).)

§ 35.2599 *Other capital surplus.* (a) This account shall include all capital surplus not provided for elsewhere.

(b) Among the amounts includible in this account are credits arising from the reacquisition and resale, from the retirement and cancelation, from a reduction of the stated value, and from the donation by stockholders, of the carrier's capital stock; surplus arising from the forgiveness of debt of the carrier; surplus recorded upon the reorganization or recapitalization of the carrier; and amounts that become the property of the carrier as a result of the forfeiture by others of deposits on subscriptions to capital stock and installment-plan payments on purchases of capital stock. (See particularly § 35.10–9.)

*Earned Surplus*

§ 35.2610 *Contractual reserves.* (a) This account shall include the amount of earned surplus reserved or otherwise set aside in accordance with the terms of mortgages, deeds of trust, orders of courts, contracts, or other agreements. (See also § 35.30–2.)

(b) Separate subaccounts shall be maintained under such titles as will designate the obligation in support of which each reserve recorded hereunder was created.

§ 35.2615 *Reserve against impairment of stated capital.* (a) This account shall be credited with amounts charged to account 8315, "Earned surplus employed in reacquisition of capital stock," as provided in paragraph (i) of §35.10–7.

(b) Upon the resale or retirement of reacquired stock, this account shall be charged and account 8315, "Earned surplus employed in reacquisition of capital stock," shall be credited with the amounts included herein applicable to such stock.

§ 35.2620 *Miscellaneous reserves.* (a) This account shall include the amount of reservations of earned surplus not provided for elsewhere.

(b) Separate subaccounts shall be maintained under such titles as will designate the purpose for which each reserve recorded hereunder was created.

§ 35.2699 *Unappropriated earned surplus.* This account shall include the amount of net earned surplus after providing for reservations and appropriations. (See particularly § 35.10–10.)

OPERATED PLANT ACCOUNTS

INSTRUCTIONS

§ 35.1–1 *Purpose and content of operated plant accounts.* (a) The operated plant accounts are designed to show in detail the cost of the several classifications of the carrier's wire-telegraph and ocean-cable plant that has a service life of more than 1 year, whether used by the carrier or by others.

(b) The balances in the several operated plant accounts are includible in the following balance-sheet accounts under the caption "Commmunication plant," and the chart under § 35.1–99 shows the method of combining a balance-sheet account number and a plant account number when it is desired to indicate both the use and the class of the plant:

1000 Operated plant in carrier's service.
1100 Operated plant leased to others.
1200 Improvements and replacements of operated plant leased from others.

(Account 1400, "Plant held for future communication use," shall also be classified according to the titles and texts provided for the several operated plant accounts.)

NOTE: Plant used in furnishing telephone or radiotelegraph service shall be accounted for as provided in § 35.03–8.

(c) When operated plant ordinarily having a service life of more than 1 year is installed for temporary use in wire-telegraph and ocean-cable service, it shall be accounted for in the same manner as other plant having a service life of more than 1 year.

(d) The cost of individual items of work equipment, such as hand tools and other portable tools that are likely to be lost or stolen, and other items of work equipment that have relatively small value (e. g., costing $10.00 or less) or short life, shall be included in the operated plant accounts only when the investment in such property is relatively large and the correctness of the accounting therefor is verified by the current inventory. When not so verified the cost of such items shall be charged to the operating-expense (or other) account appropriate for the use of such items.

(e) Carriers furnishing both wire-telegraph and ocean-cable services shall maintain separate accounts for the cost of operated plant applicable to each such service. (See § 35.1–99.)

(f) Not later than January 1, 1946, each carrier shall have completed the studies necessary for reclassifying its plant as at January 1, 1943, in accordance with this system of accounts, and shall have submitted to the Commission the entries it proposes to make to carry out the provisions of this section. It shall submit also (not later than January 1, 1946) a comparative balance sheet showing, as at January 1, 1943, the amounts includible in the respective accounts prescribed in this system of accounts (1) before and (2) after effect has been given to the proposed entries mentioned above relating to the reclassification of the plant.

(g) Pending the reclassification of plant, as at the effective date of this system of accounts, in accordance with the accounts prescribed herein, each carrier shall maintain its present accounts with respect to such plant (and its records of retirements therefrom) as subaccounts of account 1540, "Plant in process of reclassification."

§ 35.1–2 *Accounting for plant acquisitions.* (a) Plant previously in public use contributed to the carrier, or plant constructed by the carrier through expenditures of contributed money or its equivalent, shall be charged to the plant accounts on basis of original cost, and there shall be credited to the allowance-for-depreciation and allowance-for-amortization accounts the estimated amounts of depreciation and amortization requirements applicable to such plant at the date of its acquisition by the carrier. Plant not previously in public use contributed to the carrier shall be charged to the plant accounts at its estimated cost new at date of contribution, and there shall be credited to the appropriate allowance-for-depreciation and allowance-for-amortization accounts the estimated amounts of depreciation and amortization requirements applicable to such plant at that date. The difference between the amounts so includible in the plant and in the allowance accounts shall be credited to account 2515, "Contributions of plant."

(b) Amounts received for construction which are ultimately to be repaid, wholly or in part, shall be credited to account 2315, "Advances for construction," and, when final determination has been made as to the amount to be repaid, any amounts not subject to refund shall be transferred to account 2515, "Contributions of plant."

(c) When property that comprises a substantially complete operating system or operating unit is acquired from predecessors by purchase, merger, consolidation, liquidation, or otherwise, that portion of the acquisition cost applicable to operated plant, plant under construction, and plant held for future communication use shall be charged to account 91, "Plant acquired; undistributed charges."

(d) The accounting with respect to the acquisition of such plant shall then be completed as follows:

(1) The original cost of such plant shall be charged to the several plant accounts and account 1300, "Plant under construction," as appropriate, and credited to account 91, "Plant acquired; undistributed charges." When the actual original cost cannot be determined and estimates are used, the carrier shall maintain records to show the particulars of such estimates.

(2) The requisite amounts of the allowances for depreciation and amortization applicable to such plant at the date of acquisition shall be credited to account 1515, "Allowance for depreciation; wire-telegraph and ocean-cable plant," and account 1520, "Allowance for amortization; wire-telegraph and ocean-cable plant," respectively, and charged to account 91, "Plant acquired; undistributed charges."

(3) The amount remaining in account 91, "Plant acquired; undistributed charges," applicable to such plant, upon the completion of the entries provided in the foregoing subparagraphs (1) and (2), shall be transferred to account 1510, "Plant-acquisition adjustments."

(e) When a substantially complete operating system or operating unit acquired comprises duplicate or other plant which is intended to be retired by the carrier in the reconstruction of the acquired plant or in its consolidation with the previously owned property, the accounting with respect to such duplicate or other plant shall be submitted for the consideration and approval of the Commission.

(f) The accounting for wire-telegraph and ocean-cable plant acquired from predecessors not provided for in paragraphs (c) and (d) hereof shall be upon basis of the acquisition cost to the carrier.

(g) A memorandum record shall be kept of the amount of contributions applicable to the plant acquired, as shown by the accounts of the previous owner.

(h) Copies of journal entries recording the acquisition of (1) substantially complete operating systems, (2) substantially complete operating units, or (3) other plant (when the consideration paid for such other plant is $25,000 or more), and of the entries clearing the amounts originally charged to account 91, "Plant acquired; undistributed charges," shall be submitted within 90 days from the respective dates of such original and clearing entries for consideration and approval by the Commission. The text of such entries shall give a complete description of the plant acquired and the bases upon which the amounts of the entries have been determined.

(i) In connection with the acquisition of substantially complete operating systems or operating units, the carrier shall endeavor to procure from the grantor (and the grantor, if subject to the accounting regulations of the Commission, shall deliver) all existing records relating to the property acquired, or certified copies thereof.

(j) The cost of initial improvements (including repairs, rearrangements, and additions) to operated plant acquired from others, made in the course of preparing the plant for service, and the cost of any subsequent additions to and replacements of such plant, shall be included in the appropriate operated plant accounts.

(k) If the acquisition of any plant is by means of construction, the provisions of §§ 35.1–3 and 35.1–4 shall be observed.

NOTE: The cost of valuations, inventories, and appraisals taken in connection with the contemplated acquisition of plant shall be charged to account 1935, "Preliminary survey and investigation charges." If the plant is acquired, the preliminary costs shall be accounted for as a part of the cost of acquisition.

§ 35.1–3 *Components of construction costs.* (a) The costs of construction properly includible in the plant accounts shall include the applicable direct and overhead costs, listed and described in paragraph (c) of this section and in § 35.1–4, and other analogous items in connection with such work.

(b) When a part only of a project is placed in operation or is completed ready for service and the construction work as a whole is incomplete, that part of the plant placed in operation or ready for service shall be treated as completed and no further interest charges shall be made with respect to such completed part.

(c) The following is a description of the principal components of construction costs:

(1) The compensation and the expenses of employees engaged in construction work, including the compensation and expenses of foremen and inspectors in charge thereof.

(2) The purchase price at the point of free delivery of material and supplies plus customs duties and excise taxes; the cost of inspection and handling; transportation to first point of delivery to the carrier; an equitable portion of supply expense; the total cost of fabricated material from the carrier's shops; the book cost of reusable material; and the cost of the tools consumed on a project. (In determining the cost of material used, proper allowance shall be made for unused material and supplies, material recovered from temporary arrangements used in performing the work, salvage value of tools released from the project, and discounts realized in the purchase of material and supplies.)

(3) The cost of transporting employees, material and supplies, tools, and work equipment not under its own power. (Transportation of material and supplies includes transportation from point of first delivery to point of use. It includes amounts paid to others as well as the cost of operating the carrier's own transportation equipment.)

(4) The cost of protecting the carrier's property from fire or other casualties and the cost of preventing injuries to persons and damages to the property of others.

(5) Expenditures or losses on account of injuries to persons and damages to the property of others.

(6) Payments for, and expenses incurred in securing, temporary privileges, permits, or rights in connection with construction work, such as for the use of private or public property, streets, or highways.

(7) Taxes on physical property during construction and before the facilities are completed ready for service, assessed separately from taxes on operating property or under conditions which permit separate identification or allocation of the amount chargeable to construction; also the portion, applicable to construction costs, of taxes imposed under the Social Security Act and similar State statutes.

(8) The net cost of borrowed funds used for construction purposes and (there may be included) a reasonable rate upon the carrier's own funds when so used. Such amounts shall be charged to the individual project upon which the funds are expended and shall be credited to account 5225, "Interest charged to construction—Cr." The period for which interest may be included in the cost of construction shall be limited to the duration of the construction work. (In case construction work is suspended, interest covering a period of more than 6 months from the date of such suspension shall not be included in the cost of construction except when authorized by the Commission. No interest costs for projects that have been abandoned shall be included in these accounts.)

(9) Premiums paid or amounts provided as self-carried insurance for protection against loss and damage by fire and other casualities, injury to or death of employees or others, damage to property of others, defalcation of employees and agents, nonperformance of contractual obligations of others, and the cost of workmen's-compensation or similar insurance.

(10) The cost of telephone, water, electricity, power, office space, equipment, and analogous items allocable to the construction project; also similar items furnished by the carrier through its regular operating facilities.

(11) The pay and expenses of operators and helpers required for machine operation, material and supplies consumed, depreciation, and other expenses incurred in the maintenance, operation, and use of special machines such as steam-shovels, pile-drivers, and other labor-saving machines; also expenditures for rental, maintenance, and operation of such machines owned by others; also, when a particular construction project requires the purchase of special machines, the cost of these machines, less their appraised or salvage value at the time of their release from the project.

(12) The applicable portion of the pay and of the office and other expenses of the carrier's engineers and their staffs responsible primarily for the technical features of construction work.

(13) Amounts paid to other companies, firms, or individuals engaged by the carrier to plan, design, prepare estimates, supervise, inspect, or give general advice and assistance in connection with construction work. (A copy of the agreement or arrangement under which said services are rendered shall be preserved by the carrier.)

(14) An equitable portion of the pay and of the office and other expenses of the general officers and their staffs. (Such amounts shall be determined in accordance with § 35.03–17.)

(15) Amounts paid for work performed under contract by other persons. (Costs incident to the award of such contracts, to the inspection of such work, and to any other work of any character performed by the carrier in connection with a contract-work project have been noted under the components of construction costs appropriate for the character of the service performed or the expense incurred.)

(d) As a reduction of construction costs, any amounts earned, during the construction period incidental to the construction, less correlated expenses, shall be credited to the cost of construction.

§ 35.1–4 *Overhead construction costs.* (a) All overhead construction costs, such as engineering, supervision, general office salaries and expenses, construction engineering and supervision by others than the carrier, law expenses, insurance, injuries and damages, relief and pensions, taxes, and interest, shall be charged to particular projects or units on basis of the amounts of such overhead costs reasonably applicable thereto, to the end that each project or unit shall bear its equitable portion of such costs and that the entire cost of the unit, both direct and overhead, shall be deducted from the plant accounts at the time the unit of plant is retired.

(b) The records supporting the entries for overhead construction costs shall be so maintained as to show the nature of the expenditures, the individual projects and accounts charged, and the bases of the distribution of such costs.

(c) The instructions contained herein shall not be interpreted as permitting the inclusion in the operated plant accounts of arbitrary amounts to cover assumed overhead costs, but as requiring the assignment to particular projects and accounts of actual and reasonable overhead costs.

§ 35.1–5 *Expenditures on operated plant leased from others.* (a) Except as provided in paragraphs (b) and (c) of this section, the cost of initial improvements (including repairs, rearrangements, and additions) to operated plant leased from others, made in the course of preparing the plant for service, and the cost of any subsequent additions to and replacements of the leased plant shall be charged to the operated plant accounts appropriate for the class of plant leased. (See also §§ 35.1200 and 35.1–2.)

(b) When, under the terms of a leasing agreement, the carrier, as lessee, is required to make specific improvements to leased plant and such improvements revert to the lessor and constitute a part of the consideration paid for the use of th plant, the cost of such improvements shall be charged by the lessee to account 1815, "Prepaid rents," and amortized over the remaining period of the lease by charges to the appropriate rent account. Such portion of the cost of improvements as represents additions to the leased plant shall be charged by the lessor (if a wire-telegraph or ocean-cable carrier) to the appropriate plant accounts and credited to an appropriate subaccount under account 2399, "Other deferred credits." Amounts thus credited to account 2399 shall be amortized over the

remaining period of the lease by credits to the appropriate rental account.

(c) When improvements to leased plant otherwise chargeable to the plant accounts are of relatively minor cost or short life, or when the period of the lease is not more than 1 year, the cost thereof shall be included in account 4261, "Rents for operating offices," or in the account appropriate for the maintenance of such plant, as appropriate.

(d) When, under the terms of a lease, the carrier, as lessee, is required to replace or to restore the condition of plant leased from others, depreciation charges on the plant originally leased shall be computed on the same basis as for owned depreciable plant. Such amounts shall be charged to account 4910, "Depreciation," and (if not subject to current settlement with the lessor) credited to account 2225, "Provisions for depreciation and replacement of operated plant leased from others." (See particularly § 35.04–3 and paragraph (h) of this section.)

(e) When, under the terms of a lease, the carrier, as lessee, is required to replace or to restore the condition of plant leased from others, the cost of leased plant retired by the lessee shall be credited to account 2230, "Leased operated plant retired." Such amount together with the cost of removal shall be charged, and the salvage value and any other amounts received shall be credited, to account 2225, "Provisions for depreciation and replacement of operated plant leased from others."

(f) The accounting for the retirement of improvements and replacements of leased plant made by the lessee shall be as provided in § 35.1–6.

(g) Upon termination of a lease and transfer of the plant to the lessor, the accounting by the lessor (if a wire-telegraph or an ocean-cable carrier) for improvements and replacements of the leased plant which were made by the lessee shall be as follows:

The plant accounts shall be so adjusted as to include the original cost of the plant returned at the termination of the lease, including the original cost of improvements and replacements made by the lessee, and (as so adjusted) shall be appropriately classified in conformity with § 35.1–1. Accounts 1515, "Allowance for depreciation; wire-telegraph and ocean-cable plant," and account 1520, "Allowance for amortization; wire-telegraph and ocean-cable plant," shall be so adjusted as to include the required allowances for depreciation and amortization of such plant. The difference between (1) the net amount of the foregoing adjustments and (2) the amount of any settlement with the lessee with respect to such plant, shall be charged to account 1999, "Other deferred charges," or credited to account 2399, "Other deferred credits," as appropriate. Full particulars relating to the difference so recorded with respect to each leasing agreement, together with a plan for the disposition thereof, shall be immediately submitted to the Commission for consideration and approval.

(h) Each carrier, as lessee, shall maintain memorandum accounts entirely independent of these accounts, in which are recorded the cost of, and related allowances with respect to, plant placed under its exclusive control by a leasing agreement and the subsequent retirements of such plant while under the control of the carrier. Separate memorandum accounts shall be maintained for each leasing agreement. The records supporting the memorandum accounts shall be maintained in the same manner and detail as those relating to owned operated plant.

§ 35.1–6 *Additions, retirements, and replacements of operated plant.* (a) To the end that the operated plant accounts shall at all times disclose the cost of plant in service, the cost of all additions to, and replacements of, operated plant, whether acquired by construction, purchase, or otherwise, shall be charged (except as provided in paragraphs (e) and (g) of this section) to the appropriate plant accounts. The cost of plant retired, whether replaced or not, shall be credited (except as provided in paragraphs (f) and (g) of this section) to the account or accounts in which such cost stands charged.

(b) When any item of operated plant is retired from service for any reason, the amounts in the plant accounts applicable to that item shall be credited thereto, and the retirement entry shall cite the original entry in which was recorded the cost of the item retired, by name and page of, or other definite identification of, book or other record in which the entry was made; except that when such entry cannot be identified or is not available, or if it is impracticable to determine the cost of any item due to the relatively large number of items or the small cost thereof, the amount shall be estimated with due allowance for any differences in size and character, and that fact shall be stated in the retirement entry. The records supporting retirement entries shall show also the aggregate quantity, in units of measure ordinarily used by the carrier, of each type of retirement unit retired, and the basis used in determining the cost when estimates are used.

(c) For the purpose of avoiding undue refinement, in accounting for retirements and replacements of depreciable operated plant such property shall be considered as consisting of (1) retirement units and (2) minor items. (See particularly § 35.1–6–1.)

(d) The cost of any retirement unit retired (whether replaced or not) shall be credited to the appropriate plant account. Except as provided in paragraphs (j) and (k) of this section, the entire amount of such cost shall be charged to account 1515, "Allowance for depreciation; wire-telegraph and ocean-cable plant."

(e) When minor items that did not previously exist are added to operated plant, the cost thereof shall be treated as a plant acquisition if a substantial addition results. Otherwise, the cost of such items shall be included in the appropriate maintenance-expense account.

(f) When a minor item is retired and not replaced, it shall be accounted for as if it were a retirement unit, except that if the cost of such retired item will be accounted for by its inclusion in the retirement unit of which it is a part when such unit is retired, no separate credit to the plant account is required at the date of retirement.

(g) When a minor item of operated plant is replaced independently of the retirement unit of which it forms a part or with which it is associated, the cost of replacement shall be charged to the account appropriate for the cost of maintenance of the plant with which it is associated, except that, if the replacement effects a substantial betterment (the primary aim of which is to make the plant affected more useful, more efficent, of greater durability, or of greater capacity), that part of the in-place cost of the item installed that is in excess of the cost of the item retired shall be charged to the appropriate operated plant account.

(h) The cost of land retired shall be credited to the appropriate land account. If the cost of the land is includible in account 11, "Land used for right-of-way," its retirement shall be accounted for as provided in paragraphs (c), (d), and (e) of this section. If the cost of the land is includible in account 12, "Land used for building sites," or account 13, "Land used for other operations," its retirement shall be accounted for as provided in paragraph (j) of this section or as provided for in § 35.1–7, as appropriate.

(i) The accounting for franchises, patent rights, leaseholds, and other intangibles retired shall be as provided in paragraph (d) of account 1520, "Allowance for amortization; wire-telegraph and ocean-cable plant." The accounting for the retirement of amounts included in account 85, "Research and development," shall be as provided in the text of that account.

(j) When operated plant is sold, conveyed, or transferred to another person by sale, merger, consolidation, or otherwise, the amount of the consideration received therefor shall be credited to account 92, "Plant sold; undistributed credits," and further accounted for as follows:

(1) The applicable amounts included in account 1935, "Preliminary survey and investigation charges," shall be transferred to account 92, "Plant sold; undistributed credits," and the amounts of commissions and other expenses of making the sale shall be charged to that account.

(2) The cost of the property sold or transferred, including amounts in account 1510, "Plant-acquisition adjustments," that are applicable to such plant, shall be credited to the appropriate plant accounts and charged to account 92, "Plant sold; undistributed credits."

(3) The amounts (estimated if not known) carried with respect to such operated plant in account 1515, "Allowance for depreciation; wire-telegraph and ocean-cable plant," account 1520, "Allowance for amortization; wire-telegraph and ocean-cable plant," account 2315, "Advances for construction," and, if approved by the Commission, account 2515, "Contributions of plant," shall be charged to the respective accounts and credited

to account 92, "Plant sold; undistributed credits."

(4) The amount remaining in account 92 applicable to such plant upon the completion of the foregoing entries shall be transferred to account 6110, "Extraordinary current income credits," or account 6120, "Extraordinary current income charges," as appropriate.

(k) Upon termination of a lease and transfer of the plant to the lessor, the cost of improvements and replacements made by the lessee to plant leased from others shall be credited to the plant accounts of the lessee in which they stand charged. The amounts applicable to such plant in account 1515, "Allowance for depreciation; wire-telegraph and ocean-cable plant," and account 1520, "Allowance for amortization; wire-telegraph and ocean-cable plant," shall be cleared from those accounts. The difference between the amounts of the foregoing charges and credits shall be charged or credited, as appropriate, to account 2225, "Provisions for depreciation and replacement of operated plant leased from others." The amount of any settlement with the lessor with respect to such plant shall be charged or credited, as appropriate, to account 2225. The balances then remaining in account 2225 and in account 2230, "Leased operated plant retired," with respect to each such expired lease shall be disposed of in such manner as the Commission may approve or direct.

(l) If, after performing the accounting provided in the foregoing paragraphs of this section and in § 35.04–3, a credit balance remains, because of underestimating net salvage value or for any other reason, in the portion of any depreciation-allowance or amortization-allowance account assignable to the plant retired, the portion of such balance applicable to the calendar year in which the plant is retired shall be charged to that allowance account and credited to the operating-revenue deduction or other account originally charged with the estimated amount of current depreciation or amortization. The remainder of such balance shall be cleared from the allowance account as provided in § 35.03–13.

NOTE: The cost of valuations, inventories, and appraisals in connection with a contemplated sale of plant shall be charged to account 1935, "Preliminary survey and investigation charges."

§ 35.1–7 *Transfers of plant.* (a) When plant is transferred from one class of communication service to another, the transfer shall be accounted for by transferring the book cost thereof to the appropriate accounts, and likewise any related amounts in the allowance-for-depreciation and allowance-for-amortization accounts shall be transferred to the appropriate allowance accounts.

(b) When depreciable operated plant is transferred to noncarrier operations, the transfer shall be accounted for by crediting the appropriate plant accounts and charging account 1515, "Allowance for depreciation; wire-telegraph and ocean-cable plant," with the cost of the plant transferred. Account 1515 shall then be credited and account 1610, "Miscellaneous physical property," shall be charged with the estimated fair value, not in excess of cost, of the plant transferred. Any balance in the depreciation-allowance account relating to such transferred property shall be disposed of as provided in paragraph (l) of § 35.1–6, § 35.03–13, or paragraph (c) of § 35.04–2, as appropriate.

§ 35.1–8 *Continuous property-record required.* (a) Not later than January 1, 1943, each carrier shall begin the preparation of a continuous property record relating to property of the classes represented in the balance-sheet accounts under the caption "Communication plant," and in account 1610, "Miscellaneous physical property." The record shall be completed not later than June 30, 1946, with respect to property as at December 31, 1942, and with respect to the changes effected therein between the dates of January 1, 1943, and December 31, 1945: *Provided, however,* That such data shall not be used by the carrier in its permanent records until the approval by the Commission of a plan (and a list of property units) and other details of a continuous property-record procedure to be submitted in compliance with the provisions of paragraph (b) of this section.

(b) Not later than June 30, 1943, each carrier shall submit to the Commission, for consideration and approval, a complete plan of methods to be used in the compilation of the continuous property-record, the installation and maintenance of which are prescribed in paragraph (a) of this section. The plan shall include a list of the property units proposed for use, classified to conform with the operated plant accounts prescribed in this system of accounts, and shall include material lists for assemblies, together with the quantity-unit designation applicable to each property unit and to the integral or associated parts thereof. A narrative statement shall accompany the lists of proposed units, describing in detail the content and method of maintenance of all forms and other records which are designed for use in compiling the continuous property-record, to the end that a ready analysis with respect to the sufficiency thereof may be made.

(c) The record shall be arranged in conformity with the operated plant accounts prescribed in this system of accounts. It shall be compiled on the basis of original cost and shall contain such detailed description and classification of the property units as will permit ready verification.

§ 35.1–99 *Contemplated form of plant statement.* (See § 35.03–9.)

WIRE-TELEGRAPH AND OCEAN-CABLE PLANT

| Account No. | Particulars | Wire-telegraph plant | | | | | Ocean-cable plant | | | | | Total wire-telegraph and ocean-cable plant |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Operated plant | | | Plant held for future communication use (1400) | Total | Operated plant | | | Plant held for future communication use (1400) | Total | |
| | | In carrier's service (1000) | Leased to others (1100) | Leased from others—Improvements and replacements (1200) | | | In carrier's service (1000) | Leased to others (1100) | Leased from others—Improvements and replacements (1200) | | | |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) | (12) | (13) |
| | *Real estate* | | | | | | | | | | | |
| 11 | Land used for right of way | (1) | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ |
| 12 | Land used for building sites | $ | (2) | | | | | | | | | |
| 13 | Land used for other operations | | | (3) | | | | | | | | |
| 14 | Land improvements | | | | (4) | | | | | | | |
| 15 | Buildings | | | | | | | | | | | |
| | Total | | | | | | | | | | | |
| | *Outside communication lines* | | | | | | | | | | | |
| 21 | Poles | | | | | | | | | | | |
| 22 | Aerial wire | | | | | | | | | | | |
| 23 | Aerial cable | | | | | | | | | | | |
| 24 | Underground cable | | | | | | (5) | | | | | |
| 25 | Buried cable | | | | | | | (6) | | | | |
| 26 | Submarine cable | | | | | | | | (7) | | | |
| 27 | House cable | | | | | | | | | | | |
| 28 | Underground conduit | | | | | | | | | | | |
| 29 | Pneumatic tubes | | | | | | | | | | | |
| 31 | Ocean cable | | | | | | | | | (8) | | |
| | Total | | | | | | | | | | | |

[1] to [8], inclusive: The accounts represented, if appropriate, at the 8 respective points bearing these symbols shall be numbered, for example, T-1011, T-1112, T-1213, T-1414, C-1024, C-1125, C-1226, and C-1431, respectively.

WIRE-TELEGRAPH AND OCEAN-CABLE PLANT—Continued

| Account No. | Particulars | Wire-telegraph plant | | | | | Ocean-cable plant | | | | | Total wire-telegraph and ocean-cable plant |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Operated plant | | | Plant held for future communication use (1400) | Total | Operated plant | | | Plant held for future communication use (1400) | Total | |
| | | In carrier's service (1000) | Leased to others (1100) | Leased from others—Improvements and replacements (1200) | | | In carrier's service (1000) | Leased to others (1100) | Leased from others—Improvements and replacements (1200) | | | |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) | (12) | (13) |
| | *Inside communication plant* | | | | | | | | | | | |
| 41 | Message transmitting and receiving equipment | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ |
| 42 | Repeater and terminal equipment | | | | | | | | | | | |
| 43 | Switchboards and distributing frames | | | | | | | | | | | |
| 44 | Pneumatic-tube and conveyer equipment | | | | | | | | | | | |
| 45 | Power equipment | | | | | | | | | | | |
| 46 | Messenger call-circuit equipment | | | | | | | | | | | |
| 47 | Time-service equipment | | | | | | | | | | | |
| 48 | Ticker and commercial news service equipment | | | | | | | | | | | |
| 49 | Office cable and conduit | | | | | | | | | | | |
| 51 | Equipment furnished customers | | | | | | | | | | | |
| 59 | Other inside communication plant | | | | | | | | | | | |
| | Total | | | | | | | | | | | |
| | *Office and messenger equipment* | | | | | | | | | | | |
| 61 | Furniture and office appliances | | | | | | | | | | | |
| 65 | Messenger uniforms | | | | | | | | | | | |
| 69 | Other office and messenger equipment | | | | | | | | | | | |
| | Total | | | | | | | | | | | |
| | *Work equipment* | | | | | | | | | | | |
| 71 | Vehicles | | | | | | | | | | | |
| 72 | Shop equipment | | | | | | | | | | | |
| 73 | Store and warehouse equipment | | | | | | | | | | | |
| 74 | Tools and implements | | | | | | | | | | | |
| 75 | Floating equipment | | | | | | | | | | | |
| 76 | Railway equipment | | | | | | | | | | | |
| 77 | Emergency facilities | | | | | | | | | | | |
| 78 | Laboratory equipment | | | | | | | | | | | |
| | Total | | | | | | | | | | | |
| | *Intangibles* | | | | | | | | | | | |
| 81 | Organization | | | | | | | | | | | |
| 82 | Franchises | | | | | | | | | | | |
| 83 | Patent rights | | | | | | | | | | | |
| 84 | Leaseholds | | | | | | | | | | | |
| 85 | Research and development | | | | | | | | | | | |
| 89 | Other intangibles | | | | | | | | | | | |
| | Total | | | | | | | | | | | |
| | Total classified plant | | | | | | | | | | | |
| | Add: | | | | | | | | | | | |
| 91 | Plant acquired—Undistributed charges | | | | | | | | | | | |
| | Deduct: | | | | | | | | | | | |
| 92 | Plant sold—Undistributed credits | | | | | | | | | | | |
| | Grand total | | | | | | | | | | | |

PRESCRIBED ACCOUNTS

NOTE: Number to the right of the decimal point is the account number.

*Real Estate*

§ 35.11 *Land used for right of way.* This account shall include the cost of land used in wire-telegraph and ocean-cable services for the location of poles, towers, wires, cables, conduits, cable huts, cable houses, and similar operated plant where title to the land is vested in the accounting carrier. (See also §§ 35.84 and 35.4150.)

NOTE: When land is acquired in excess of that required for wire-telegraph and ocean-cable services or is acquired without a definite plan for its use in such services, its cost shall be included in account 1610, "Miscellaneous physical property," except that the cost of land acquired for use in telephone or radiotelegraph services shall be included in account 1530, "Telephone and radiotelegraph plant."

ITEMS

(See § 35.03–12)

Assessments for the construction of public improvements.
Clearing or defending title against claims relating to a period prior to the date of purchase.
Commissions and fees to brokers, agents, and others.
Condemnation proceedings, including court costs and special counsel fees.
Conveyancer and notarial fees.
Examination and registration of titles.
Payments to vendors.
Relocating property of others in the acquisition of land.
Taxes assumed on land, applicable to a period prior to the date of acquisition.
Voiding leases to secure possession of land acquired.

§ 35.12 *Land used for building sites.* (a) This account shall include the cost of land occupied by buildings used in wire-telegraph and ocean-cable services where title to the land is vested in the accounting carrier. (See particularly §§ 35.84 and 35.4150; also the note and the list of items in § 35.11.)

(b) When improved land is acquired the cost shall be fairly apportioned among the accounts appropriate for the land, the land improvements, and the buildings. If the plan of acquisition contemplates the removal of any improvements (including buildings), the total cost of the land and the property to be removed shall be accounted for as the cost of the land, and the net salvage value of the property removed shall be deducted from the cost of the land.

§ 35.13 *Land used for other operations.* (a) This account shall include the cost of land used in wire-telegraph and ocean-cable services for material, equipment, and other storage yards and for other purposes (except right-of-way and building sites) where title to the land is vested in the accounting carrier. (See particularly §§ 35.84 and 35.4150; also the note and the list of items in § 35.11.)

(b) When improved land is acquired the cost shall be fairly apportioned among the accounts appropriate for the land, the land improvements, and the buildings. If the plan of acquisition contemplates the removal of any improvements (including buildings), the total cost of the land and the property to be removed shall be accounted for as the cost of the land and the net salvage value of the property removed shall be deducted from the cost of the land.

§ 35.14 *Land improvements.* This account shall include the cost of improvements (except buildings) made or acquired by the carrier on land used in wire-telegraph and ocean-cable services where title to such improvements is vested in the accounting carrier. (See particularly § 35.1–5; also §§ 35.11, 35.12, 35.13, and 35.15.)

ITEMS

(See § 35.03–12)

Fences.
Hedges.
Lawns.
Outdoor sprinkling systems.
Retaining walls. (See also § 35.15.)
Roads.
Shrubs.
Sidewalks.
Swimming pools, outdoor.
Tennis courts.
Trees.
Yard-lighting equipment.

§ 35.15 *Buildings.* (a) This account shall include the cost of buildings used in wire-telegraph and ocean-cable services (except cable huts or cable houses), including all fixtures permanently attached to and made a part of buildings and which cannot be removed therefrom without cutting into the walls, ceilings, or floors, or without in some way impairing the buildings.

(b) Amounts includible in this account shall include the cost of the building foundations and structures, costs incident to the construction or purchase of buildings and to securing possession and title, and the cost of fixtures, machinery, appurtenances, and appliances installed as parts of buildings or used exclusively or predominantly in the operation of the buildings and not specifically includible in other operated plant accounts.

NOTE A: This account shall not include the cost of any equipment, apparatus, or wiring used predominantly for generating or controlling electricity for the operation of the communication system.

NOTE B: The cost of cable huts or cable houses and the equipment contained therein shall be included in account 23, "Aerial cable," account 24, "Underground cable," account 25, "Buried cable," account 26, "Submarine cable," or account 31, "Ocean cable," as appropriate.

ITEMS

(See § 35.03–12)

Awnings.
Boilers, furnaces, fixtures, and machinery for heating, lighting, and ventilating.
Cable vaults and conduits constructed as part of the building.
Commissions and fees to brokers, agents, architects, and others.
Door checks and door stops.
Drainage and sewerage, inside piping and equipment.
Electric wiring.
Elevators.
Fire-extinguisher systems.
Garages, shops, and stables.
General and other office buildings.
Grading, excavating, and preparing grounds for buildings, including the laying out of grounds after construction.
Linoleum and similar floor covering, excluding carpets and rugs.
Motors and generators.
Partitions, excluding movable.
Piers and foundations for machinery constructed as a permanent part of a building.
Platforms, storage or loading.
Power board (where predominantly used for building power).
Refrigeration systems.
Retaining walls (erected in connection with buildings).
Screens, door and window.
Sheds.
Signs; permanent, attached to buildings.
Sprinkling systems.
Storm doors and windows.
Taxes assumed on buildings, applicable to the period prior to the date of acquisition.
Voiding leases to secure possession of buildings acquired.
Water, steam, and gas pipes.
Water-supply systems.
Window shades and ventilators.

### *Outside Communication Lines*

§ 35.21 *Poles.* This account shall include the cost in place of poles and special fixtures, crossarms, and appurtenances used in the construction of supporting structures for aerial plant, used in wire-telegraph and ocean-cable services.

ITEMS

(See § 35.03–12)

Anchors.
A and H fixtures.
Bolts.
Braces.
Bridge fixtures.
Cable arms.
Clearing routes and trimming trees, except maintenance of previous clearings. (See also paragraph (a) (3) of § 35.41–7.)
Crossarms.
Extension arms.
Guard arms.
Guy clamps.
Guy wire or strand.
Masts.
Painting, treating, gaining, roofing, shaving, and stenciling poles.
Permits and privileges for construction. (See particularly paragraph (c) (6) of § 35.1–3; also § 35.82.)
Pins, wood.
Poles.
Pole steps.
River-crossing and long-span fixtures.
Strain insulators.
Towers.

§ 35.22 *Aerial wire.* (a) This account shall include the cost in place of aerial wire, insulators, loading coils, and appurtenances used in the construction of such plant for wire-telegraph and ocean-cable services.

(b) Where connection is made to aerial cable, underground cable, buried cable, submarine cable, or ocean cable, this account shall include the cost of aerial wire to the point where the aerial wire connects to the terminal or to the bridle wires leading into the terminal.

(c) Where connection is made to inside wiring, this account shall include the cost of aerial wire to the point where the aerial wire connects to the office protector or to the inside wire.

(d) This account shall include also the entire cost of underground dips, irrespective of the type of construction, employing less than 350 trench feet of conduit or less than 350 feet (including the vertical runs on the poles) of buried cable.

NOTE A: The cost of terminals (including bridle wires) between aerial wire and cable shall be included in the account appropriate for the cost of the cable.

NOTE B: The cost of office protectors shall be included in the account appropriate for the inside plant with which they are associated.

NOTE C: The cost of underground dips 350 feet or more in length shall be included in the account appropriate for the type of plant employed.

ITEMS

(See § 35.03–12)

Building brackets and rings.
Distributing wire.
Ground wire, clamps, and rods.
Insulators and thimbles.
Loading coils and cases therefor.
Permits and privileges for construction. (See particularly paragraph (c) (6) of § 35.1–3; also § 35.82.)
Pins, steel.
Pole brackets.
Protectors (except office protectors) and arresters.
Repeating coils.
Sleeves.
Tire wires.
Transposition brackets.
Transposition of the circuits in initial construction work and any additions resulting from transposing or retransposing existing circuits.
Wire.

§ 35.23 *Aerial cable.* (a) This account shall include the cost in place of aerial cable (including cable attached to the outside walls of buildings), suspension therefor, cable terminals, pressure contractor-terminals, terminal huts or houses, loading coils, and appurtenances used in the construction of such plant for wire-telegraph and ocean-cable services.

(b) Where connection is made to aerial wire, this account shall include the cost of the aerial cable and the cost of the terminal in place, including bridle wires (if any), to the point where the aerial wires connect to the aerial-wire side of the terminal or to the bridle wires leading from the terminal.

(c) Where connection is made to underground cable, buried cable, submarine cable, house cable, or ocean cable through a terminal, this account shall include the cost of aerial cable to the first pothead splice on the aerial side of the terminal. Where such connection is made directly to the terminal without a stub or a pothead, this account shall include the cost of the aerial cable to the point of connection to the terminal. Where such connection is made directly, by means of a splice, this account shall include the cost of aerial cable to the splice.

(d) Where connection is made to inside equipment in an office, this account shall include the cost of aerial cable to the point of conection to the main frame, or to the switchboard or terminal in an office where no main frame is used.

(e) This account shall include also the entire cost of underground dips, irrespective of the type of construction, employing less than 350 trench feet of conduit or less than 350 feet (including the vertical runs on the poles) of buried cable.

NOTE A: The cost of terminals (including stubs and potheads) and splices between aerial cable and underground cable, buried cable, submarine cable, house cable, or ocean cable shall be included in the account appropriate for the cost of the cable with which the aerial cable connects.

NOTE B: The cost of underground dips 350 feet or more in length shall be included in the account appropriate for the type of plant employed.

ITEMS

(See § 35.03–12)

Bonds and grounds.
Cable; block, feeder, main, subsidiary.
Cable clamps.
Cable huts or houses (including contained equipment).
Cable rings.
Cable terminals or boxes.
Cross-connection wires and fuses installed in the first equipment for service of cable terminals or boxes.
Fuse boxes.
Loading coils, building-out condensers, carrier-line filters, and cases therefor.
Main-frame-terminating cable extending to outside aerial cable.
Negative returns.
Permits and privileges for construction. (See particularly paragraph (c) (6) of § 35.1–3; also § 35.82.)
Pole seats and balconies.
Pressure contactor-terminals.
Protectors (except office protectors) and arresters.
Safety straps.
Sleeves.
Strand, suspension.
Tree guards.
Trolley and other guards.

§ 35.24 *Underground cable.* (a) This account shall include the cost in place of underground cable, installed in conduit that is reusable in place for other underground cable, together with associated cable terminals, pressure contactor-terminals, terminal huts or houses, loading coils, and appurtenances used in the construction of such plant for wire-telegraph and ocean-cable services.

(b) Where connection is made to aerial wire, this account shall include the cost of the underground cable and the cost of the terminal in place, including bridle wires (if any) to the point where the aerial wires connect to the aerial-wire side of the terminal or to the bridle wires leading from the terminal.

(c) Where connection is made to aerial cable or buried cable through a terminal, this account shall include the cost of underground cable, the cost of the terminal (including stubs and potheads) in place, and the cost of the first pothead splice on the aerial-cable or buried-cable side of the terminal; where such connection is made directly, by means of a splice, this account shall include the cost of the splice.

(d) Where connection is made to submarine cable, house cable, or ocean cable through a terminal, this account shall include the cost of underground cable to the first pothead splice on the underground side of the terminal. Where such connection is made directly to the terminal without a stub or a pothead, this account shall include the cost of the underground cable to the point of connection to the terminal. Where such connection is made directly, by means of a splice, this account shall include the cost of underground cable to the splice.

(e) Where connection is made to inside equipment in an office, this account shall include the cost of underground cable to the point of connection to the main frame (or to the switchboard or terminal, in an office where no main frame is used), including the cost of any cross-connecting frame between the main frame and the cable entrance.

(f) This account shall include also the cost of underground cable used in underground dips in connection with aerial wire or aerial cable when the total length of the conduit employed is 350 trench feet or more.

NOTE A: The cost of terminals (including stubs and potheads) and splices between underground cable and submarine cable, ocean cable, or house cable shall be included in the account appropriate for the cost of the cable with which the underground cable connects.

NOTE B: The cost of underground cable used in underground dips employing less than 350 trench feet of conduit shall be included to account 22, "Aerial wire," or account 23, "Aerial cable," as appropriate.

ITEMS

(See § 35.03–12)

Bonds and grounds.
Cable; feeder, main, subsidiary.
Cable huts or houses (including contained equipment).
Cable terminals or boxes.
Cross-connection wires and fuses installed in the first equipment for service of cable terminals or boxes.
Electrolysis surveys made in the course of installing cable.
Fuse boxes.
Loading coils, building-out condensers, carrier-line filters, and cases therefor.
Main-frame-terminating cable extending to outside underground cable.
Negative returns.
Permits and privileges for construction. (See particularly paragraph (c) (6) of § 35.1–3; also § 35.82.)
Pressure contactor-terminals.
Protectors (except office protectors) and arresters.
Sleeves.
Splicing boxes.
Strand, suspension.

§ 35.25 *Buried cable.* (a) This account shall include the cost in place of buried cable, including the protective covering therefor, manholes, splicing boxes, cable terminals, terminal houses or huts, pressure contractor-terminals, loading coils, and appurtenances used in the construction of such plant for wire-telegraph and ocean-cable services.

(b) Where connection is made to aerial wire, this account shall include the cost of the buried cable and the cost of the terminal in place, including bridle wires (if any), to the point where the aerial wires connection to the aerial-wire side of the terminal or to the bridle wires leading from the terminal.

(c) Where connection is made to aerial cable through a terminal, this account shall include the cost of the terminal (including stubs and potheads) in place and the cost of the first pothead splice on the aerial-cable side of the terminal; where such connection is made directly, by means of a splice, this account shall include the cost of the splice.

(d) Where connection is made to underground cable, submarine cable, house cable, or ocean cable through a terminal, this account shall include the cost of buried cable to the first pothead splice on the buried-cable side of the terminal. Where such connection is made directly to the terminal without a stub or a pothead, this account shall include the cost of the buried cable to the point of connection to the terminal. Where such connection is made directly, by means of a splice, this account shall include the cost of buried cable to the splice.

(e) Where connection is made to inside equipment in an office, this account shall include the cost of buried cable to the point of connection to the main frame (or to the switchboard or terminal in an office where no main frame is used), including the cost of any cross-connecting frame between the main frame and the cable entrance.

(f) This account shall include also the cost of buried cable used in underground dips in connection with aerial wire or aerial cable when the total length of the dip (including the vertical runs on the poles) is 350 feet or more.

NOTE A: The cost of terminals (including stubs and potheads) and splices between buried cable and underground cable, submarine sable, house cable, or ocean cable shall be included in the account appropriate for the cost of the cable to which the buried cable connects.

NOTE B: The cost of buried cable used in underground dips employing less than 350 feet of cable (including the vertical runs on the poles, shall be included in account 22, "Aerial wire," or account 23, "Aerial cable," as appropriate.

ITEMS

(See § 35.03–12)

Cable; feeder, main, subsidiary.
Cable huts or houses (including contained equipment).
Cable terminals or boxes.
Cross-connection wires and fuses installed in the first equipment for service of cable terminals or boxes.
Loading coils, building-out condensers, carrier-line filters, and cases therefor.
Main-frame-terminating cable extending to buried cable.
Negative returns.
Pedestals.
Permits and privileges for construction. (See particularly paragraph (c) (6) of § 35.1–3; also § 35.82.)
Pressure contractor-terminals.
Protective covering for buried cable, not reusable in place for other cable, and the cost of manholes and similar items designed specifically for use in such construction.
Protectors (except office protectors) and arresters.
Sleeves.
Splicing boxes.
Trenches—opening and closing in initial buried-cable construction work.

§ 35.26 *Submarine cable.* (a) This account shall include the cost in place of submarine cable (other than trans-oceanic-type cable), together with associated cable terminals, pressure contac-

tor-terminals, terminal huts or houses, loading coils, and appurtenances used in the construction of such plant for wire-telegraph and ocean-cable services.

(b) Where connection is made to aerial wire, this account shall include the cost of the submarine cable and the cost of the terminal in place, including bridle wires (if any), to the point where the aerial wires connect to the aerial-wire side of the terminal or to the bridle wires leading from the terminal.

(c) Where connection is made to aerial cable, underground cable, or buried cable through a terminal, this account shall include the cost of the terminal (including stubs and potheads) in place and the cost of the first pothead splice on the aerial, underground, or buried-cable side of the terminal. Where such connection is made directly by means of a splice, this account shall include the cost of the splice.

ITEMS

(See § 35.03–12)

Anchoring chains.
Cable; feeder, main.
Cable huts or houses (including contained equipment).
Cable terminals or boxes.
Loading coils, building-out condensers, carrier-line filters, and cases therefor.
Permits and privileges for construction. (See particularly paragraph (c) (6) of § 35.1–3; also § 35.82.)
Pressure contactor-terminals.
Protectors and arresters.
Sleeves.

§ 35.27 *House cable.* (a) This account shall include the cost in place of house cable (i. e., inside cable between the termini of outside cable and the terminals provided as a part of communication-equipment assemblies) together with associated cable terminals, conduit or other protective covering, and appurtenances used in the construction and installation of such plant for the origination and distribution of wire-telegraph and ocean-cable services to customers.

(b) Where connection is made to other outside cable through a terminal, this account shall include the cost of the terminal (including stubs and potheads) in place, and the cost of the first pothead splice on the aerial, underground, or buried-cable side of the terminal. Where such connection is made directly, by means of a splice, this account shall include the cost of the splice.

(c) This account shall include also the cost of the terminals connected to house cables for distribution service to customers.

ITEMS

(See § 35.03–12)

Cable.
Cable stubs.
Cable terminals or boxes.
Conduit or other mechanical protection.
Cross-connection wires and fuses installed in the first equipment for service of cable terminals or boxes.
Fuse boxes.
Permits and privileges for construction. (See particularly paragraph (c) (6) of § 35.1–3; also § 35.82.)
Protectors and arresters.
Sleeves.
Strand, suspension.
Straps and clamps.

§ 35.28 *Underground conduit.* (a) This account shall include the cost in place of tile, pipe, and other conduit, whether underground, in tunnels, or on bridges, and the cost of manholes, handholes, service boxes, and appurtenances used in the construction of such plant for wire-telegraph and ocean-cable services, whether the line of conduit is used for cables, or pneumatic tubes, or for both cables and tubes.

(b) This account shall include also the cost of conduit used in underground dips in connection with aerial wire or aerial cable when the length of the conduit so used is 350 trench feet or more.

NOTE A: The cost of protective covering for buried cable, not reusable in place for other cable, and the cost of trenching, manholes, and similar items provided specifically for use in such construction, shall be included in account 25, "Buried cable."

NOTE B: The cost of protective covering for pneumatic tubes other than conduit, where such covering is not reusable in place for other tubes or for cables, and the cost of trenching, manholes, and similar items provided specifically for use in such construction, shall be included in account 29, "Pneumatic tubes." Wood boxing for tube protection shall not be considered as conduit.

ITEMS

(See § 35.03–12)

Cable guards.
Cable racks.
Conduit.
Manholes, handholes, and service boxes.
Opening trench and repaving.
Permits and privileges for construction. (See particularly paragraph (c) (6) of § 35.1–3; also § 35.82.)
Pumping out and cleaning manholes, handholes, and ducts in initial underground conduit construction work.
Riser pipe.

§ 35.29 *Pneumatic tubes.* (a) This account shall include the cost in place of outside pneumatic tubes, including joints, sleeves, flanges, and other items used in the construction of such plant for wire-telegraph and ocean-cable services, to a point immediately inside the building wall.

(b) This account shall also include the cost of protective covering for pneumatic tubes, other than conduit, where such covering is not reusable in place for other tubes or for cables, and the cost of trenching, manholes, and similar items provided specifically for use in such construction. (See particularly § 35.28.)

NOTE: Wood boxing for tube protection shall not be considered as conduit.

ITEMS

(See § 35.03–12)

Bends.
Drainage bonds.
Expansion joints.
Flange couplings.
Handholes (only when used exclusively for pneumatic tubes in connection with protective covering other than conduit).
Insulating joints.
Manholes (only when used exclusively for pneumatic tubes in connection with protective covering other than conduit).
Opening trench and repaving.
Permits and privileges for construction. (See particularly paragraph (c) (6) of § 35.1–3; also § 35.82.)
Protective covering other than conduit.
Sleeves.
Tubes.

§ 35.31 *Ocean cable.* This account shall include the cost in place of trans-oceanic-type cable, together with associated cable terminals, sea earths, terminal huts or houses and their contained equipment, and appurtenances used in the construction of such plant for ocean-cable service, including the cost of splicing ocean cables to other outside communication plant.

ITEMS

(See § 35.03–12)

Cable.
Cable houses or huts, including equipment therein.
Cable terminals or boxes.
Loading coils, building-out condensers, carrier-line filters, and cases therefor.
Permits and privileges for construction. (See particularly paragraph (c) (6) of § 35.1–3; also § 35.82.)
Pressure contactor-terminals.
Protectors and arresters.
Sea earths.
Sleeves.
Trenching.

*Inside Communication Plant*

§ 35.41 *Message transmitting and receiving equipment.* (a) This account shall include the cost in place of operating equipment installed in offices of carriers for use in the transmission and reception of message traffic in wire-telegraph and ocean-cable services.

(b) Equipment the cost of which is includible in this account includes Morse equipment, telephone equipment, automatic telegraph equipment, and associated intercommunicating and testing and adjusting equipment; also the items of circuit terminating and repeatering equipment which are installed as integral parts of operating assemblies, and appurtenances used in the construction and installation thereof.

(c) The cost of associated interior wiring, cable, conduit, and power wiring shall be included in this account only to the points of connection with the terminals of the office cable and the power-distribution cable. (See particularly §§ 35.45 and 35.49.)

NOTE: The cost of operating equipment installed on customers' premises shall be included in account 51, "Equipment furnished customers."

ITEMS

(See § 35.03–12)

Booths.
Channel extension units or panels.
Channel repeater units.
Distributors.
Duplex printer sets, including duplex or induction-neutralizing equipment, when inherently part of sets.
Equipment tables, racks, or frames.
Facsimile sets.
Installation of way-circuit selectored equipment.
Instruments and panels in above assemblies.
Morse sets.
Multiplex sets, including duplex or induction-neutralizing equipment, when inherently part of the set.
Number stamps (when part of an assembly).
Operating positions of any type.
Original installations of tools and gages.
Perforators.

Printers.
Reperforator-switching office equipment.
Reperforators.
Syphon recorders.
Telephone stations.
Testing equipment.
Translator units.
Transmitters.
Transmitter distributors.
Work tables.

§ 35.42 *Repeater and terminal equipment.* (a) This account shall include the cost in place of repeater and terminal equipment installed in offices of carriers for use in wire-telegraph and ocean-cable services, including equipment for repeatering and terminating line wire ground return circuits, metallic circuits, and carrier circuits, together with the appurtenances used in the construction and installation of the assemblies.

(b) The cost of associated interior wiring, cable, conduit, and power wiring shall be included in this account only to the points of connection with the terminals of the office cable and the power-distribution cable. (See particularly §§ 35.45 and 35.49.)

ITEMS

(See § 35.03–12)

Amplifiers.
Carrier bays or terminals.
Carrier or telephone repeaters.
Duplex repeaters.
Duplex terminal sets, including induction-neutralizing equipment when inherently part of the set.
Equipment tables, racks, or frames.
Frequency generators.
Instruments and panels in such assemblies.
Magnifiers.
Regenerative repeaters.
Single line repeaters.
Single line terminals.
Testing equipment.
Voice-frequency ringer, sending or receiving.

§ 35.43 *Switchboards and distributing frames.* (a) This account shall include the cost in place of switchboards and distributing frames located in offices of carriers for use in wire-telegraph and ocean-cable services, including main-line and local-loop switchboards, and distributing frames used for terminating lines and local loops and for interconnecting such lines, local loops, and repeater and terminal equipment.

(b) This account shall include also the cost of office switchboards and distributing frames in which the circuit terminals for telegraph-message service are combined with various combinations of terminal equipment for other services such as ticker service, time service, and messenger-call service, including in each case protection equipment, anti-induction equipment, internal wiring, associated testing and adjusting equipment, and the appurtenances used in the construction and installation of such assemblies.

(c) The cost of associated interior wiring, cable, conduit, and power wiring shall be included in this account only to the points of connection with the terminals of office cable, power-distribution cable, or outside communication lines. (See §§ 35.21 to 35.31, inclusive; also §§ 35.15, 35.45, and 35.49.)

ITEMS

(See § 35.03–12)

Channel switchboard panels.
Concentration boards.
Distributing frames or racks.
Induction-neutralizing equipment.
Intermediate switchboard frames.
Line-testing equipment.
Panels or units of relay racks, complete with equipment.
Protector groups.
Sections of switchboard.
Sets or simplex or composite coils, or accessories.
Telephone sets (used on switchboards).
Turrets.

§ 35.44 *Pneumatic-tube and conveyer equipment.* (a) This account shall include the cost in place of interior pneumatic tubes, tube senders, outlets, blowers, compressors, air connections, and associated equipment, and appurtenances used in the construction and installation of such plant in offices of carriers for use in wire-telegraph and ocean-cable services, including such plant from a point immediately inside the building wall. (See also § 35.29.)

(b) This account shall include also the cost in place of belt conveyers, belt-supporting structures, driving motors, and other message-conveyer equipment, together with the appurtenances used in the construction and installation of such plant in offices of carriers.

(c) The cost of associated interior wiring, cable, conduit, and power wiring shall be included in this account only to the points of connection with the terminals of the office cable and the power-distribution cable. (See particularly §§ 35.45 and 35.49.)

ITEMS

(See § 35.03–12)

Belt frameworks.
Belts.
Blowers.
Compressors.
Conveyor systems.
Inside tubing.
Motors.
Rollers.
Sending or receiving terminals.
Timers.
Tube ends—complete with manifolds, sending inlets, receiving terminals, driving equipment, and blowers or compressors.
Tube pairs—complete with manifolds, reversing valves, sending inlets, and receiving terminals.

§ 35.45 *Power equipment.* (a) This account shall include the cost in place of power generating, converting, storage, and distribution equipment in or adjacent to the carrier's offices, serving as, or associated with, the prime source of power and used exclusively or predominately in the operation of the communication system in wire-telegraph and ocean-cable services.

(b) Equipment the cost of which is includible in this account includes assemblies of power equipment such as storage batteries, motor-generator and engine-generator sets, rectifiers, distribution boards, zone cabinets, transformers, interior power wiring, cable, and conduit, and appurtenances used in the construction and installation of the assemblies.

NOTE A: The cost of inexpensive items of power equipment such as small motor generators, rectifiers, and batteries included as integral parts of assemblies of communication equipment shall be included in the operated plant account appropriate for the cost of the assemblies of which such inexpensive items form a part.

NOTE B: The cost of the initial installation of dry-cell batteries shall be included in the accounts appropriate for the operated plant with which they are associated, and the cost of replacement shall be included in the account appropriate for the maintenance of such plant.

NOTE C: The cost of power equipment installed and used exclusively or predominantly for building service, such as for lighting and for elevator operation shall be included in account 15, "Buildings."

ITEMS

(See § 35.03–12)

Battery racks or cabinets.
Chargers.
Circuit breakers.
Compensators.
Engine-generator sets.
Engines.
Feeders or entrance wiring.
Fuse panels.
Generators.
Interior wiring, cable, and conduit.
Meters.
Motors.
Motor-generator sets.
Power factor correction equipment.
Power plants.
Power zone cabinets.
Rectifiers.
Starters.
Storage batteries.
Switchboards.
Transformers.

§ 35.46 *Messenger call-circuit equipment.* (a) This account shall include the cost in place of call-circuit cabinets, switchboards, annunciators, registers, call boxes, associated testing and adjusting equipment, and appurtenances used in the construction and installation of assemblies of messenger call-circuit equipment located in offices of carriers for use in wire-telegraph and ocean-cable services.

(b) The cost of associated interior wiring, cable, conduit, and power wiring shall be included in this account only to the points of connection with the terminals of the office cable and the power-distribution cable. (See particularly §§ 35.45 and 35.49.)

NOTE: The cost of switchboards composed of combination panels for time and messenger call-circuits shall be included in account 47, "Time-service equipment."

ITEMS

(See § 35.03–12)

Annunciator units.
Buzzer systems.
Call boxes, with or without associated wiring and accessories.
Call-circuit cabinets.
Line or test units.
Registers.
Sections of call-circuit switchboards.

§ 35.47 *Time-service equipment.* (a) This account shall include the cost in place of master clocks, control clocks, synchronizing-circuit equipment, time-service control cabinets and switchboards, time repeaters, switchboards

composed of combination panels for time and messenger call-circuits, and other central office time-service equipment, together with associated testing and adjusting equipment, and appurtenances used in the construction and installation of the assemblies, located in offices of carriers for use in furnishing synchronizing and other signals on circuits to carriers' and customers' clocks, and to furnish other similar services.

(b) The cost of associated interior wiring, cable, conduit, and power wiring shall be included in this account only to the points of connection with the terminals of the office cable and the power-distribution cable. (See particularly §§ 35.45 and 35.49.)

NOTE A: Time stamps and office clocks (other than master and control clocks) installed in offices of carriers shall be included in account 61, "Furniture and office appliances."

NOTE B: The cost of clocks installed on customers' premises shall be included in account 51, "Equipment furnished customers."

ITEMS

(See § 35.03–12)

Cabinets.
Control clocks.
Control panels.
Control relays and resistance units.
Master clocks.
Master or secondary relays.
Resistance panels.
Sections of switchboard.
Time repeaters.

§ 35.48 *Ticker and commercial news service equipment.* (a) This account shall include the cost in place of equipment installed in offices of carriers for use exclusively in the dissemination of commercial news services to carriers' and customers' offices.

(b) Equipment the cost of which is includible in this account includes assemblies of transmitting, receiving, repeatering, and terminal equipment for operation of ticker and other circuits, associated testing and adjusting equipment, and appurtenances used in the construction and installation thereof.

(c) The cost of associated interior wiring, cable, conduit, and power wiring shall be included in this account only to the points of connection with the terminals of the office cable and the power-distribution cable. (See particularly §§ 35.45 and 35.49.)

NOTE: The cost of tickers and other commercial news service equipment installed on customers' premises shall be included in account 51, "Equipment furnished customers."

ITEMS

(See § 35.03–12)

Auxiliary switchboards.
CND repeaters.
Sound-proof covers.
Stands.
Tables of equipment, such as perforators and transmitter distributors, relays, repeater relays, and tickers.
Tickers.
Transmitters.

§ 35.49 *Office cable and conduit.* This account shall include the cost in place of cable, conduit, cable racks and hangers, terminal cabinets, and associated appurtenances used in the construction and installation of the signal wiring in carriers' offices (1) from the distributing frame or other point of connection with outside wire or cable to the terminals provided for making connections with the wiring of assemblies of communication equipment and (2) between assemblies of communication equipment.

NOTE: The cost of power cabling and associated appurtenances used for power distribution shall be included in account 45, "Power equipment," or account 15, "Buildings," as appropriate.

NOTE: The cost of house cable leading to equipment in branch offices in office buildings shall be included in account 27 "House cable."

ITEMS

(See § 35.03–12)

Cable.
Cable racks.
Conduit.
Hangers.
Terminal cabinets.
Wire.

§ 35.51 *Equipment furnished customers.* (a) This account shall include the cost in place of message transmitting and receiving, ticker, stock and commercial news, time-service, pneumatic-tube, messenger call-circuit, telephone, and other inside communication equipment located in offices of customers, together with the appurtenances used in the construction and installation thereof.

(b) The cost of associated interior wiring, cable, conduit, and power wiring shall be included in this account only to the points of connection with the terminals of the house cable, or other outside plant if no house cable is used, and the power-distribution outlets.

(c) Separate subaccounts shall be maintained to show the respective costs of each of the several classes of equipment furnished customers. These classes shall correspond to those represented in §§ 35.41 to 35.48, inclusive, and § 35.59, respectively, or correspond to the classes most nearly comparable therewith that are furnished customers under the carrier's operating practices.

ITEMS

(See § 35.03–12)

Buzzer systems.
Call boxes.
Facsimile sets.
Morse sets.
Motor-generator sets.
Pneumatic-tube terminals.
Printer sets.
Rectifiers.
Switchboards.
Telephone sets.
Tickers.
Time-service equipment.

§ 35.59 *Other inside communication plant.* (a) This account shall include the cost in place of inside communication equipment installed in offices of carriers for use in wire-telegraph and ocean-cable services and not includible in other operated plant accounts.

(b) The cost of associated interior wiring, cable, conduit, and power wiring shall be included in this account only to the points of connection with terminals of the office cable and the power-distribution cable. (See particularly §§ 35.45 and 35.49.)

*Office and Messenger Equipment*

§ 35.61 *Furniture and office appliances.* This account shall include the cost in place of furniture and office appliances located in operating offices, general offices, storerooms, shops, laboratories, and similar premises of the carrier, for use in wire-telegraph and ocean-cable services.

NOTE A: The cost of furniture and office equipment located on, and constituting a part of, vehicles, floating equipment, or railway equipment shall be included in account 71, "Vehicles," account 75, "Floating equipment," or account 76, "Railway equipment," as appropriate.

NOTE B: The cost of furniture and office equipment constituting component parts of assemblies of operating equipment shall be included in the account appropriate for the cost of the equipment with which it is associated.

NOTE C: The cost of fixtures permanently attached to and made a part of buildings shall be included in account 15, "Buildings."

ITEMS

(See § 35.03–12)

Accounting machines.
Adding and listing machines.
Addressing machines and equipment.
Air-conditioning units (not part of a building).
Beds, cots, or couches.
Benches, messenger.
Bicycle racks.
Bookcases.
Card-punching, card-sorting, or card-tabulating machines.
Carpets, rugs, or other floor coverings.
Cash registers.
Chairs.
Clocks.
Computing machines.
Counters.
Date stamps.
Davenports.
Desks.
Dictionaries or code books.
Dictographs or other interoffice communication equipment.
Dishes.
Drafting-room equipment.
Duplicating machines.
Electric fans.
Filing cabinets.
Floor-scrubbing and polishing machines.
Lockers (single or multiple).
Messenger dressing booths.
Multigraphs.
Partitions, movable.
Pianos.
Refrigerators.
Safes.
Signs (illuminated or non-illuminated).
Sorting racks.
Stationery cabinets.
Steel shelves.
Storage cabinets, shelves, or racks (except those in shops or storerooms).
Tables.
Time stamps.
Typewriters.
Uniform repairing and cleaning equipment.
Water coolers.

§ 35.65 *Messenger uniforms.* (a) This account shall include the cost (if in excess of $1,000) of messenger uniforms owned by the carrier as at the effective date of this system of accounts.

(b) If at any time a change in operation involves a substantial increase in the number of uniforms required for service, this account shall be charged with amounts representing the cost, at weighted average prices, of such additional uniforms.

(c) If at any time a change in operation involves a substantial decrease in the number of uniforms required for service, this account shall be credited with amounts representing the cost, at weighted average prices, of the uniforms retired and the amount of such retirements shall be equitably apportioned between account 4231, "Messenger-uniform expense," and the subdivision of account 1515, "Allowance for depreciation; wire-telegraph and ocean-cable plant," in which the estimated accrued depreciation on uniforms in service at the effective date of this system of accounts was recorded.

NOTE A: Except as provided in paragraph (b) of this section, the cost of uniforms purchased subsequent to the effective date of this system of accounts shall be included in account 4231, "Messenger-uniform expense."

NOTE B: The allowance for depreciation applicable to the messenger uniforms the cost of which is includible in this account as at the effective date of this system of accounts, shall be segregated in a separate subaccount of account 1515, and shall be held (except as provided in paragraph (c) of this section) as a permanent offset against the amounts in this account.

ITEMS

(See § 35.03–12)

Belts.
Blouses.
Breeches.
Caps and hats.
Coats.
Neckties.
Overcoats.
Puttees.
Raincoats and raincapes.
Shirts.
Skirts.
Trousers.

§ 35.69 *Other office and messenger equipment.* This account shall include the cost in place of office and messenger equipment used in wire-telegraph and ocean-cable services and not includible in other accounts.

*Work Equipment*

§ 35.71 *Vehicles.* This account shall include the cost of transportation equipment not includible in other operated plant accounts, together with work equipment, tools, and appurtenances constituting parts of, or permanently attached to, such equipment, used in wire-telegraph and ocean-cable services.

NOTE: The cost of material, supplies, tools, implements, and work equipment not specifically associated with or used in the operation of vehicles but merely transported thereon to the point of use shall be included in the appropriate material, plant, maintenance, clearing, or other account. Equipment for communication service, even if permanently attached to vehicles, shall be included in the account appropriate for such communication equipment.

ITEMS

(See § 35.03–12)

Automobiles.
Cable-splicers' carts.
Camp wagons.
Draft and pack animals.
Hand trucks and carts.
Harness.
Mobile telegraph offices.
Motorcycles.
Saddles.
Trailers.
Trucks and tractors (including attached work equipment, such as earth-boring machines, pumps, winches, and similar items).
Wagons.

§ 35.72 *Shop equipment.* (a) This account shall include the cost in place of equipment located in general repair shops, pole-treating plants, car shops, garages, and similar shops used for constructing, assembling, and repairing plant used in wire-telegraph and ocean-cable services.

(b) Equipment the cost of which is includible in this account includes electric generators, motors, and other power equipment, together with foundations, settings, belting, drives, and other appurtenances constituting parts of shop-equipment assemblies; also the tools and other implements especially provided for and used in conjunction with such equipment, and the items of furniture ordinarily constituting parts of such assemblies.

NOTE A: The cost of shop equipment located on floating equipment, railway equipment, or vehicles shall be included in the account appropriate for the cost of the equipment on which it is located.

NOTE B: The cost of foundations and of fixtures which cannot be removed from buildings without cutting into the walls, ceilings, or floors, or without in some way impairing the buildings, shall be included in account 15, "Buildings."

ITEMS

(See § 35.03–12)

Air compressors.
Blowers.
Boring mills.
Compressed-air tools.
Cranes.
Derricks.
Engines.
Forges.
Gasoline pumps and tanks.
Generators, electric and gas.
Hand trucks.
Lathes.
Milling machines.
Motors.
Oil pumps and tanks.
Planers.
Pole-treating equipment.
Power drills.
Power hammers.
Power loaders.
Presses.
Pumps.
Racks or shelving, movable.
Storage cabinets.
Tools and implements provided for shops.
Winches.
Work benches.

§ 35.73 *Store and warehouse equipment.* This account shall include the cost of equipment and appurtenances located in storerooms, warehouses, and material yards for the receiving, storing, handling, packing, and loading for shipment of materials and supplies, used in wire-telegraph and ocean-cable services.

NOTE A: The cost of store and warehouse equipment located on floating equipment, railway equipment, or vehicles shall be included in the account appropriate for the cost of the equipment on which it is located.

NOTE B: The cost of fixtures or shelving permanently attached to and constituting a part of buildings shall be included in account 15, "Buildings."

ITEMS

(See § 35.03–12)

Barrows.
Bins, portable.
Cabinets, movable.
Conveyors.
Counters, movable.
Cranes.
Gasoline pumps.
Gasoline tanks.
Hand trucks and carts.
Hoists.
Ladders.
Oil pumps.
Oil tanks.
Scales.
Shelving, movable.
Skids.
Tools provided for warehouses.
Trucks.
Wire-measuring machines.

§ 35.74 *Tools and implements.* This account shall include the cost of general tools, implements, and appurtenances used in the construction and maintenance of plant for use in wire-telegraph and ocean-cable services and not specifically includible in other operated plant accounts.

NOTE A: The cost of tools carried as supplies unissued shall be included in account 1795, "Material and supplies."

NOTE B: The cost of hand and other portable tools that have relatively small value or short life shall be accounted for as provided in paragraph (d) of § 35.1–1.

NOTE C: Tools and implements used primarily in conjunction with inside communication equipment, floating equipment, railway equipment, vehicles, shops, stores and warehouses, or laboratories shall be included in the account appropriate for the cost of the equipment with which they are associated.

ITEMS

(See § 35.03–12)

Air compressors, mobile.
Back-filling machines.
Blowers, power.
Compressed-air tools.
Concrete mixers and breakers.
Cranes, mobile.
Derricks, mobile.
Drills and hammers, power.
Earth-boring machines (not permanently attached to vehicles).
Forges, portable.
Hand tools.
Hand trucks, carts, and barrows.
Loaders, power.
Testing equipment, portable.
Torches.
Trenching machines.

§ 35.75 *Floating equipment.* (a) This account shall include the cost of ships, launches, barges, and other vessels used for the transportation of employees, materials, and supplies, and for the construction and maintenance of plant, used in wire-telegraph and ocean-cable services.

(b) Equipment the cost of which is includible in this account includes the furnishings, tools, implements, and other appurtenances constituting a part of, specifically associated with, or used in the operation of, such floating equipment.

NOTE: The cost of material, supplies, tools, implements, and work equipment not specifically associated with or used in the operation of floating equipment but merely transported thereon to the point of use shall be included in the appropriate material,

plant, maintenance, clearing, or other account. Equipment for communication service, even if permanently attached to floating equipment, shall be included in the account appropriate for such communication equipment.

ITEMS

(See § 35.03–12)

Barges.
Boats.
Boilers.
Cranes.
Engines.
Furniture.
Hoists.
Launches.
Office equipment.
Radio equipment.
Rigging.
Ships.
Shop equipment.
Store and warehouse equipment.
Testing and adjusting equipment.
Tools and implements.
Winches.

§ 35.76 *Railway equipment.* (a) This account shall include the cost of officers' cars, camp cars, hand cars, motor cars, pole cars, push cars, velocipedes, and other railway equipment used for the transportation of employees, materials, and supplies, and for the construction and maintenance of plant, used in wire-telegraph and ocean-cable services.

(b) Equipment the cost of which is includible in this account includes assemblies complete with all component parts, including furniture and other furnishings, office appliances, tools, implements, and other work equipment, and appurtenances attached to, permanently associated with, or especially provided for use in conjunction with, railway equipment.

NOTE: The cost of material, supplies, tools, implements, and work equipment not specifically associated with or used in the operation of railway equipment but merely transported thereon to the point of use shall be included in the appropriate material, plant, maintenance, clearing, or other account. Equipment for communication service, even if permanently attached to railway equipment, shall be included in the account appropriate for such communication equipment.

*Items*

(See § 35.03–12)

Cars.
Car bodies or tanks.
Car underframes.
Cranes.
Derricks.
Furniture.
Hand cars.
Push cars.
Railway cars.
Shop equipment.
Store and warehouse equipment.
Testing equipment.
Tools necessary for the maintenance and operation of the railway equipment.
Velocipedes.

§ 35.77 *Emergency facilities.* (a) This account shall include the cost of emergency cable, portable transmission equipment, portable engine-generator sets, and other portable equipment used for furnishing temporary or emergency wire-telegraph and ocean-cable services while plant is under construction or repair or is out of service awaiting replacement or repair. The cost of such equipment shall be charged to this account when first provided for emergency service and shall be credited hereto when the equipment is ultimately retired or is permanently placed in regular communication service.

(b) Statistical records supporting the entries in this account shall be so maintained as to show for each emergency facility (1) the cost, (2) the type and quantity of plant, and (3) the duration of each period of use between the date of original entry in this account and the date of retirement by way of withdrawal from emergency service.

NOTE: When emergency facilities are permanently placed in regular service the cost of such plant shall be credited to this account and charged to the account appropriate for the cost of other plant involving similar use.

ITEMS

(See § 35.03–12)

Cable, emergency.
Engine generator sets, portable.
Transmission equipment, portable.

§ 35.78 *Laboratory equipment.* (a) This account shall include the cost in place of laboratory and other equipment used for research, development, testing, and other general laboratory purposes for wire-telegraph and ocean-cable services.

(b) Equipment the cost of which is includible in this account comprises assemblies of power equipment and other inside communication equipment complete with driving mechanisms, shop and storeroom equipment, tools, implements, and portable testing equipment regularly assigned to laboratory use.

ITEMS

(See § 35.03–12)

Amplifiers.
Balances and scales.
Barometers.
Blowers.
Bridges, electrical measuring.
Cabinets, laboratory.
Cable, artificial.
Condensers.
Dynamometers.
Filters, electric.
Furnaces, electric.
Gages.
Galvanometers.
Glassware—beakers, burettes, etc.
Grinders and polishers.
Hoods, laboratory.
Indicators, frequency.
Inductances.
Insulation testing sets.
Machine tools.
Magnifiers, selenium.
Meters, electric—various.
Microscopes.
Networks.
Oscillators.
Oscillographs (including cathode rays).
Photographic equipment.
Piping (including conduit).
Potential unit assemblies.
Potentiometers. (Checking and calibrating sets.)
Power equipment.
Rheostats.
Stills.
Tables, laboratory.
Testing equipment.
Testing machines.
Thermocouples.
Tools.
Vibrators.

*Intangibles*

§ 35.81 *Organization.* This account shall include the cost of organizing and incorporating the accounting carrier until it is ready to function as a going concern; also similar elements of cost in connection with the extension of the term of incorporation when the initial organization costs have been written off.

NOTE A: Discounts upon securities issued or assumed, debt expense, and stock expense shall be excluded from this account and account for as provided in §§ 35.10–13 and 35.10–14.

NOTE B: This account shall not include the cost of preparing and filing papers in connection with the extension of the term of incorporation unless the first organization costs have been written off.

NOTE C: This account shall not include any organization costs of companies retiring as a result of mergers, consolidations, or reorganizations.

ITEMS

(See § 35.03–12)

Cost of obtaining certificates authorizing the carrier to engage in the public communication business.
Fees and expenses of incorporation.
Fees and expenses of mergers or consolidations.
Office and other expenses incident to organizing the carrier.

§ 35.82 *Franchises.* (a) This account shall include the cost of franchises, consents, and certificates running in perpetuity or for a specified term of more than 1 year, issued to the carrier by governmental agencies, States, or other political entities as authorization for conducting a communications business.

(b) Among the items that are includible in this account are the cost of franchises acquired by assignment, the cost of cable-landing rights, and the cost of plant, material, supplies, and equipment given as the initial consideration for franchises.

NOTE A: Amortization of amounts included in this account shall be accounted for as provided in § 35.1520.

NOTE B: The cost of franchises running for 1 year or less after acquisition shall be included in account 4341, "Franchise requirements," or, if such franchises extend beyond the current calendar year, the proper proportion of their respective costs shall be included in account 1899, "Other prepayments."

NOTE C: Franchises acquired at small cost may be included in account 4341, irrespective of their term of life.

NOTE D: Franchise taxes payable annually or more frequently shall be included in account 4932, "Other taxes; Operating."

ITEMS

(See § 35.03–12)

Amounts, other than those includible in account 81, "Organization," paid to a national government, a State, or any political entity as a condition precedent to engaging in communication business.
Cost of franchises acquired by assignment.
Cost of plant, material, supplies, and equipment given as the initial consideration for franchises.
Election costs assumed by the carrier for government consent.

§ 35.83 *Patent rights.* (a) This account shall include the cost of patent rights, having a life of more than 1 year

from the date of acquisition, acquired for use in connection with the carrier's wire-telegraph and ocean-cable operations.

(b) Among the items that are includible in this account are the costs incident to defending title, fees of patent attorneys, filing and registration fees, research and development expenses directly assignable, and other expenses for legal and other services incident to the acquiring of patent rights or to the registration of a patent.

NOTE A: Amortization of amounts included in this account shall be accounted for as provided in § 35.1520.

NOTE B: The cost of developing items that are intended to be patented or of improving items that have been patented shall be initially included in account 9011, "Research and development clearing account," or other appropriate account. (See particularly § 35.03–10.)

NOTE C: The cost of patent rights having an estimated service life of 1 year or less or such rights acquired at a relatively small cost shall be included in account 4399, "Other general expenses."

§ 35.84 *Leaseholds.* (a) This account shall include the cost of leaseholds, easements, and similar rights, having a life term of more than 1 year from the date of acquisition, in land and other property acquired for use in wire-telegraph and ocean-cable services.

(b) Costs includible in this account include conveyancer and notary fees, costs of relocating property of others, special counsel and other fees, taxes assumed on leased property applicable to a period prior to the date of the lease, and other costs incurred in connection with the acquisition of leaseholds.

NOTE A: Amortization of amounts included in this account shall be accounted for as provided in § 35.1520.

NOTE B: The cost of permits for the construction of operated plant when the expected period of occupancy under such permits does not exceed the estimated life of the initial plant installed, shall be included in the account appropriate for the cost of the plant constructed.

NOTE C: Annual or more frequent payments of rent shall be included in account 5205, "Rent for lease of operated plant," account 4261, "Rents for operating offices," account 4269, "Rents for other facilities," or account 4499, "Other administrative expenses," as appropriate.

§ 35.85 *Research and development.* (a) This account shall include the cost of research and development work performed in connection with the construction and operation of plant, and in connection with the systems and methods used and available for use by the carrier in wire-telegraph and ocean-cable services where the cost of such work is not directly assignable to definite operated plant or assemblies of equipment, is not includible in other operated plant accounts, and is not includible in current operating-expense or other accounts.

(b) Amounts includible in this account comprise the pay and expenses of engineers engaged in research and development, the cost of models, the allocable portion of expenses for supervision, clerical forces, materials, supplies, rents, and other expenses incurred in maintaining general laboratories, and amounts cleared from account 9011, "Research and development clearing account," that are includible under the provisions of paragraph (a) of this section.

(c) Allowances for amortization of amounts includible in this account shall be established in conformity with the provisions of § 35.1520, in amounts sufficient to extinguish any item includible in this account not later than 20 years following the calendar year in which that item was first introduced into this account.

(d) The amount of the appropriate amortization charges for any year may be equally distributed over the 12 months of that year as charges to account 4915, "Amortization; intangible operated plant," and credits to account 1520, "Allowance for amortization; wire-telegraph and ocean-cable plant."

(e) As at the end of the calendar year in which the final credits to account 1520 have been made with respect to any item included herein, account 1520 shall be charged and this account shall be credited with the amount of the item (e. g., an amortization period of 15 years with respect to an amount charged to this account during 1941 would require retiring such amount by charging it to account 1520 at the end of the year 1956, at which time the accumulated amortization credits in that account applicable to the item should be equal to the amount of the item).

NOTE A: The cost of preliminary surveys, plans, and investigations shall be accounted for as provided in § 35.03–10.

NOTE B: The cost of research and development work performed in connection with specific construction projects shall be included in account 1300, "Plant under construction," as provided in paragraph (c) (12) of § 35.1–3.

NOTE C: Amounts included in account 9011, "Research and development clearing account," representing incomplete projects shall be retained therein pending completion, and amounts therein relating to projects abandoned or found unsuccessful shall be charged to account 6120, "Extraordinary current income charges," unless otherwise authorized or directed by the Commission.

NOTE D: That part of the balance in this account which pertains to research and development work performed in connection with systems and methods available for use, but not used, by the carrier, shall be classified in balance-sheet account 1400, "Plant held for future communication use." (See particularly columns 6 and 11 of the form of plant statement shown in § 35.1–99.)

§ 35.89 *Other intangibles.* (a) This account shall include the cost of intangibles associated with wire-telegraph and ocean-cable operations that are not provided for elsewhere.

(b) The records supporting the entries in this account shall be so maintained that in the reports to the Commission complete information can be furnished with respect to each of the several amounts included herein.

### *Other Plant Accounts*

§ 35.91 *Plant acquired; undistributed charges.* (a) This account shall be charged temporarily with the acquisition cost of plant acquired by the carrier, under any of the circumstances provided for in § 35.1–2, pending distribution thereof to the appropriate accounts.

(b) Within 90 days from the date of entry herein recording an acquisition, the carrier shall submit to the Commission a statement indicating the approximate date that clearance is contemplated.

§ 35.92 *Plant sold; undistributed credits.* This account shall be credited temporarily with the selling price of plant, pending distribution thereof to the appropriate accounts. (See particularly paragraph (j) of § 35.1–6.)

### INCOME AND EARNED-SURPLUS ACCOUNTS

#### INSTRUCTIONS

§ 35.30–1 *Purpose of income accounts.* The income accounts are designed to show for each month and each calendar year the amounts of (1) ordinary income, comprising operating revenues, operating-revenue deductions (including operating expenses), other communication income, income from noncommunication sources and deductions from such income, (2) extraordinary income charges and credits, comprising extraordinary gains, losses, and adjustments affecting current income resulting from factors other than operations and substantial adjustments applicable to but not recognized in prior years, and (3) deductions from net income, such as income taxes.

§ 35.30–2 *Income from debt-redemption and other funds.* (a) Interest, dividends, and other income derived from funds classified in accounts 1630 to 1659, inclusive, shall be credited to account 5135, "Income from debt-redemption and other funds."

(b) When the income is required by contractual or other provisions to be held in the fund from which the income arises, an amount equal to the income shall be included in the fund to which it is applicable.

(c) When income derived from these funds is required to be retained in the fund and the fund is represented by a reserve, amounts equal to such income shall be charged to account 8310, "Contractual appropriations of earned surplus," or account 8320, "Miscellaneous appropriations of earned surplus," as appropriate, and credited to the appropriate reserve accounts. (See also §§ 35.2610 and 35.2620.)

§ 35.30–3 *Rents includible in income accounts.* (a) Rentals which the carrier receives from others for operated plant the cost of which is includible in account 1100, "Operated plant leased to others," shall be credited to account 5010, "Income from operated plant leased to others."

NOTE: Rentals from operated plant the cost of which is includible in accounts 1000, "Operated plant in carrier's service," and 1200, "Improvements and replacements of operated plant leased from others," shall be credited to the appropriate nontransmission-revenue account. (See §§ 35.3410 to 35.3599, inclusive.)

(b) Taxes, depreciation, amortization, uncollectible rentals, and maintenance and other expenses applicable to plant the income from which is includible in account 5010, "Income from operated plant leased to others," shall be charged to that account by the lessor.

(c) Rents paid by the carrier for the exclusive use of substantially complete

operating systems or operating units shall be charged to account 5205, "Rent for lease of operated plant." When taxes, depreciation, amortization, or operating expenses applicable to the leased plant are initially accounted for by the lessor, such amounts shall be charged to the appropriate tax, depreciation, amortization, or operating-expense account by the lessee and credited to account 5205. The lessor shall inform the lessee of the appropriate distribution of such charges.

(d) Taxes, depreciation, amortization, and maintenance and other expenses applicable to leased plant initially accounted for by the lessee shall be charged by the lessee to the appropriate tax, depreciation, amortization, maintenance, or other account.

§ 35.30–4 *Disposition of balances in income accounts.* The net balance of the income accounts (after the deductions provided for in accounts 7000 to 7099, inclusive) shall be transferred to account 8110, "Balance transferred from income accounts," at the end of each calendar year.

§ 35.30–5 *Purpose of earned-surplus accounts.* The earned-surplus accounts are designed to show the changes relating to earned surplus, during each calendar year, resulting from (1) the net amount of profit or loss during the period as reflected in the income accounts, (2) accounting adjustments (usually confined to changes in the stated capital of the corporation or to transactions in its own capital stock) not attributable to income under the provisions of this system of accounts, (3) appropriations of earned surplus for specific purposes, and (4) appropriations for dividends.

§ 35.30–6 *Disposition of balances in earned-surplus accounts.* The net balance of the earned-surplus accounts shall be transferred to account 2699, "Unappropriated earned surplus," at the end of each calendar year.

§ 35.30–99 *Contemplated form of income and earned-surplus statement.* (See § 35.03–9.)

INCOME AND EARNED-SURPLUS STATEMENT

INCOME

*Ordinary Income—Communication*

| Account No. | Particulars | | |
|---|---|---|---|
| 9000 | Operating revenues | | $ |
| 3710 | Foreign exchange—Revenue differential (if loss, in red) | | |
| | | | $ |
| | (Operating-revenue deductions) | | |
| 4000 | Operating expenses | $ | |
| 4910 | Depreciation | | |
| 4915 | Amortization—Intangible operated plant | | |
| 4920 | Amortization of plant-acquisition adjustments | | |
| 4925 | Extraordinary plant losses | | |
| 4931 | Social security taxes—Operating | | |
| 4932 | Other taxes—Operating | | |
| 4935 | Uncollectible revenues | | |
| 4945 | Telephone and radiotelegraph operating-revenue deductions | | |
| 4950 | Revenue-contract payments | | |
| 4998 | Foreign exchange—Expense differential (if gain, in red) | | |
| 4999 | Other operating-revenue deductions | | |
| | | | $ |
| | (Other communication income) | | |
| 5010 | Income from operated plant leased to others | | |
| 5015 | Income from telephone and radiotelegraph plant leased to others | | |
| 5020 | Profit from general services, licenses, and royalties | | |
| 5089 | Income from foreign operations | | |
| 5099 | Other communication income | | |
| | Operating income | | $ |

INCOME AND EARNED-SURPLUS STATEMENT—Continued

INCOME—continued

*Ordinary Income—Noncommunication*

| Account No. | Particulars | | |
|---|---|---|---|
| 5110 | Income from miscellaneous physical property | $ | |
| 5115 | Income from merchandising, jobbing, and contracting | | |
| 5120 | Dividend income | | |
| 5125 | Interest income | $ | |
| 5135 | Income from debt-redemption and other funds | | |
| 5140 | Gain or loss on foreign currency exchange (if loss, in red) | | |
| 5199 | Other noncommunication income | | $ |
| | Gross ordinary income | | $ |
| | *Deductions From Ordinary Income* | | |
| 5205 | Rent for lease of operated plant | $ | |
| 5210 | Interest on long-term debt | | |
| 5215 | Interest on indebtedness to affiliates | | |
| 5220 | Amortization of debt discount | | |
| 5225 | Interest charged to construction—Cr. (red) | | |
| 5230 | Amortization of debt premium—Cr. (red) | | |
| 5233 | Interest on past-due tax assessments | | |
| 5235 | Other interest charges | | |
| 5240 | Taxes assumed on interest | | |
| 5245 | Amortization of debt expense | | |
| 5250 | Miscellaneous taxes | | |
| 5255 | Amortization of plant-acquisition adjustments | | |
| 5260 | Revenue-contract payments | | |
| 5298 | Foreign exchange—Income differential (if gain, in red) | | |
| 5299 | Other deductions from ordinary income | | |
| | Net ordinary income | | $ |
| | *Extraordinary Income* | | |
| 6110 | Extraordinary current income credits | $ | |
| 6120 | Extraordinary current income charges (red) | | |
| 6210 | Delayed income credits | $ | |
| 6220 | Delayed income charges (red) | | |
| | Net income accounted for during current period | | $ |
| | *Deductions From Net Income* | | |
| 7010 | Income taxes | $ | |
| 7099 | Other deductions from net income | | |
| | Balance of net income accounted for during current period transferred to account 8110, "Balance transferred from income accounts" | | $ |
| 2699 | Unappropriated earned surplus (at beginning of period) | | $ |
| | *Earned Surplus—Credits* | | |
| | Add: | | |
| 8110 | Balance transferred from income accounts | $ | |
| 8199 | Miscellaneous credits to earned surplus | | |
| | Total | | $ |
| | *Earned Surplus—Charges* | | |
| | Deduct: | | |
| 8299 | Miscellaneous charges to earned surplus | | |
| | Earned surplus available for reservation or appropriation | | $ |

INCOME AND EARNED-SURPLUS STATEMENT—Continued

INCOME—continued

*Earned Surplus—Charges*—Continued

| Account No. | Particulars | | |
|---|---|---|---|
| | Deduct: | | |
| 8310 | Contractual appropriations of earned surplus | $--- | |
| 8315 | Earned surplus employed in reacquisition of capital stock | --- | |
| 8320 | Miscellaneous appropriations of earned surplus | --- | $--- |
| | | | $--- |
| | Deduct: | | |
| 8399 | Dividend appropriations of earned surplus | | --- |
| 2699 | Unappropriated earned surplus (at end of period) | | $--- |

INCOME ACCOUNTS

NOTE: Number to the right of the decimal point is the account number.

*Ordinary Income; Communication*

NOTE: See particularly § 35.03–8.

§ 35.3000 *Operating revenues.* This account shall include the total operating revenues shown in the operating-revenue accounts, derived by the carrier during the accounting period from the furnishing of communication service and services incidental thereto.

§ 35.3710 *Foreign exchange; revenue differential.* (a) This account shall include amounts representing the revenue differential determined in accordance with the provisions of paragraph (a) of § 35.03–16.

(b) The carrier's records shall be so maintained that in reports to the Commission there may be shown, at least on basis of statistical determination, the portions of the amounts in this account applicable to the revenue derived respectively from (1) foreign communication under domestic-service classification (separately with respect to each of the amounts required to be shown under the provisions of § 35.31–5), (2) other foreign-message revenue (separately with respect to each of the amounts required to be shown under the provisions of § 35.31–6), and (3) other revenue (separately with respect to the amounts applicable to each such other revenue account).

Operating-Revenue Deductions

§ 35.4000 *Operating expenses.* This account shall include the total operating expenses, shown in the operating-expense accounts, incurred by the carrier during the accounting period for the maintenance of its wire-telegraph and ocean-cable plant, and for the conducting-operations, general, and administrative expenses incurred in furnishing wire-telegraph and ocean-cable services and services incidental thereto.

§ 35.4910 *Depreciation.* (a) This account shall include the amount of depreciation charges applicable to the accounting period for all classes of operated plant owned by the carrier except such depreciation as is chargeable to clearing accounts, to account 1300, "Plant under construction," and to account 5010, "Income from operated plant leased to others." It shall include also the amount of depreciation charges applicable to the accounting period for all classes of operated plant used but not owned by the carrier, as provided in § 35.30–3. (See also §§ 35.04–1 to 35.04–3, inclusive, and § 35.1–5.)

(b) This account shall be subdivided as follows:

4910:01 Depreciation—Operated plant owned and used.
4910:02 Depreciation—Operated plant leased from others.

(c) The records supporting the entries in this account shall be so maintained as to show separately the amounts applicable to (1) wire-telegraph service and (2) ocean-cable service.

§ 35.4915 *Amortization; intangible operated plant.* (a) This account shall be charged with the amounts of amortization charges applicable to the accounting period for intangibles (having a terminable life) the cost of which is includible in accounts 82, "Franchises," 83, "Patent rights," 84, "Leaseholds," 85, "Research and development," and 89, "Other intangibles," except such amortization charges as are includible in account 5010, "Income from operated plant leased to others." It shall include also the amounts of amortization charges applicable to the accounting period for such intangibles used but not owned by the carrier. (See § 35.30–3.)

(b) The charges to this account shall be such that the cost of each intangible will be amortized, as evenly as may be, over the period of its benefit to the carrier.

(c) This account shall be subdivided as follows:

4915:01 Amortization; intangibles owned and used.
4915:02 Amortization; intangibles leased from others.

§ 35.4920 *Amortization of plant-acquisition adjustments.* (a) This account shall be charged or credited, as the case may be, with such amounts as the Commission may authorize or direct to be included in operating-revenue deductions under a plan to amortize amounts in account 1510, "Plant-acquisition adjustments."

(b) Amounts recorded in this account shall be credited or charged, as the case may be, to account 1520, "Allowance for amortization; wire-telegraph and ocean-cable plant."

§ 35.4925 *Extraordinary plant losses.* (a) This account shall be charged with amounts representing the unprovided-for loss in service value of plant retired for causes not contemplated in prior allowances for depreciation approved for inclusion herein as provided in § 35.04–4.

(b) The records supporting the entries in this account shall be so maintained as to show separately the amounts applicable to (1) wire-telegraph plant and (2) ocean-cable plant.

§ 35.4931 *Social security taxes; operating.* This account shall be charged (and amount 2175, "Tax accruals," credited) with the amounts for which the carrier becomes liable on its own behalf for taxes, imposed under the Social Security Act and similar State and foreign statutes, that are properly chargeable to wire-telegraph and ocean-cable operations for the accounting period.

NOTE A: The amounts of social security taxes not applicable to wire-telegraph and ocean-cable operations shall be equitably apportioned among the operated plant accounts and account 5250, "Miscellaneous taxes."

NOTE B: Amounts payable on behalf of employees for social security taxes shall be included in account 2111, "Liability for tax collections."

§ 35.4932 *Other taxes; operating.* (a) This account shall include the amounts of national, State, county, municipal, and other taxes, other than taxes on net income and taxes imposed under the Social Security Act and similar State and foreign statutes, that are properly chargeable to wire-telegraph and ocean-cable operations; including franchise taxes payable annually or more frequently. (See also §§ 35.4931 and 35.7010.)

(b) This account shall be charged and account 2175, "Tax accruals," shall be credited each month with the amount of taxes that are applicable to the month. When it is not possible to determine the exact amount of taxes for the month, the amount shall be estimated and adjustments shall be made as the actual tax levies become known.

(c) When it is necessary to apportion taxes to wire-telegraph and ocean-cable operations, full details as to the methods of, and facts considered in, the apportionment shall be recorded.

(d) Taxes on plant leased from others, the rent for which is includible in account 5205, "Rent for lease of operated plant," shall be charged to this account by the lessee.

(e) The records supporting the entries in this account shall be so maintained as to show the amount of each kind of tax paid to each taxing authority and the basis upon which each charge is made.

NOTE A: Taxes assumed by the carrier on interest shall be charged to account 5240, "Taxes assumed on interest."

NOTE B: Taxes on nonoperating property the income from which is includible in account 5110, "Income from miscellaneous physical property," shall be charged to account 5250, "Miscellaneous taxes." Taxes on property the income from which is includible in account 5115, "Income from merchandising, jobbing, and contracting," shall also be charged to account 5250.

NOTE C: Special assessments for the construction of street and other improvements shall be included in the appropriate plant accounts. Special assessments for the maintenance thereof and special benefit taxes,

such as water taxes, shall be included in the appropriate operating-expense accounts.

NOTE D: Discounts allowed for payment of taxes before they are due shall be treated as reduction of taxes assessed.

NOTE E: The accounting for taxes on plant under construction shall be as provided in paragraph (c) (7) of § 35.1–3.

NOTE F: Taxes on plant leased to others, the rental from which is includible in account 5010, "Income from operated plant leased to others" when assumed by the lessor, shall be charged to that account by the lessor. (See particularly § 35.30–3.)

§ 35.4935 *Uncollectible revenues.* (a) This account shall be charged with amounts, due from customers and agents for wire-telegraph and ocean-cable services rendered, which are considered to be uncollectible.

(b) This account may include, in lieu of the amounts of charges prescribed in paragraph (a) of this section, monthly charges based upon estimates to make provision for uncollectible revenues due from customers and agents. Such amounts shall be credited to account 1765, "Allowance for uncollectible receivables." There shall be recorded full details as to the methods used and the facts considered in estimating the amounts so credited.

(c) This account shall include, in a separate subdivision thereof, credits arising from charges to accounts 2115, "Customers' deposits," and 2155, "Advance billings," that may lawfully be written off as unrefundable because of failure to locate the rightful owner or for some similar reason.

NOTE: Uncollectible receivables (or provisions therefor), other than from customers and agents, shall be charged to account 5299, "Other deductions from ordinary income," account 6120, "Extraordinary current income charges," or other appropriate account.

§ 35.4945 *Telephone and radiotelegraph operating-revenue deductions.* This account shall include the amounts of depreciation, amortization, taxes, uncollectible revenues, rents, and maintenance and other expenses incidental to the carrier's telephone and radio-telegraph operations. (See also §35.03–8.)

§ 35.4950 *Revenue-contract payments.* This account shall include amounts, includible in operating-revenue deductions, that represent payments to common carriers or other persons under the terms of contracts or agreements which provide that such common carriers or other persons shall receive amounts measured by the revenue or traffic of the accounting carrier, although such persons do not participate in the revenue service or transmission of such traffic. (See also §35.31–3.)

§ 35.4998 *Foreign exchange; expense differential.* (a) This account shall be charged or credited, as appropriate, with amounts representing the differential applicable to operating-revenue deductions as provided in paragraph (b) of § 35.03–16.

(b) A separate subaccount with appropriate title shall be maintained for amounts applicable to each of the several classes of operating-revenue deductions as follows:

Maintenance expenses.
Conducting-operations expenses.
General expenses.
Administrative expenses.
Depreciation.
Amortization—Intangible operated plant.
Amortization of plant-acquisition adjustments.
Extraordinary plant losses.
Social security taxes—Operating.
Other taxes—Operating.
Uncollectible revenues.
Telephone and radiotelegraph operating-revenue deductions.
Revenue-contract payments.
Other operating-revenue deductions.

§ 35.4999 *Other operating-revenue deductions.* This account shall include amounts representing operating-revenue deductions that are not includible elsewhere.

Other Communication Income

§ 35.5010 *Income from operated plant leased to others.* (a) This account shall be credited with the amounts of rentals that have accrued from operated plant comprising substantially complete operating systems or operating units where the lessee has exclusive possession of the plant, whether such amounts are received in cash or are disbursed by the lessee for the account of the lessor as interest on long-term debt, guaranteed dividends on stock, or otherwise.

(b) This account shall be charged with the amounts of taxes, depreciation, amortization, and maintenance and other expenses initially accounted for by the lessor on plant the rental for which is includible in this account. (See particularly § 35.30–3.)

(c) The records supporting the entries in this account shall be so maintained as to show separately the following items applicable to the plant included in each leasing agreement:

Credits:
  Rentals.
Charges (see paragraph (b) of this section):
  Items initially accounted for by the lessor:
    Taxes.
    Depreciation.
    Amortization.
    Maintenance.
    Other expenses.
  Uncollectible rentals.

NOTE: Rentals from facilities not constituting substantially complete operating systems or operating units shall be included in the appropriate operating-revenue account.

§ 35.5015 *Income from telephone and radiotelegraph plant leased to others.* This account shall be credited with the amounts of rentals that have accrued from telephone and radiotelegraph plant comprising substantially complete operating systems or operating units where the lessee has exclusive possession thereof. (See particularly paragraph (b) of § 35.03–8.)

§ 35.5020 *Profit from general services, licenses, and royalties.* This account shall include the amounts of profits realized from services rendered others under license agreements, general service contracts, or other arrangements providing for the furnishing of general accounting, engineering, financial, legal, patent, or other general services. (See also § 35.41–6.)

NOTE: Minor amounts of profits from such arrangements may be included in account 4317, "General services, licenses, and royalties—Cr."

§ 35.5089 *Income from foreign operations.* (a) This account may include the net amount of income of the carrier when the detailed amounts are required to be stated in terms of foreign currency or in a manner at variance with the requirements of this system of accounts.

(b) A separate subaccount with appropriate title shall be maintained for the amount of such income from each foreign country.

(c) The records supporting the entries in this account shall be so maintained that, in the reports to the Commission, a complete analysis of the transactions in each foreign country may be shown.

(d) Each carrier that elects to use this account shall advise the Commission of that fact at least 60 days before the effective date of this system of accounts. Changes from this elective procedure to the alternative procedure prescribed for domestic income, or vice versa, shall not be made thereafter without submitting to the Commission for its consideration and approval notice of the proposed change at least 90 days before the proposed effective date of such change.

§ 35.5099 *Other communication income.* This account shall include the amounts of communication income not provided for elsewhere.

*Ordinary Income; Noncommunication*

§ 35.5110 *Income from miscellaneous physical property.* (a) This account shall include the amounts received and the expenses incurred in connection with the operation of (1) property the investment in which is includible in account 1610, "Miscellaneous physical property," and (2) property of others leased by the carrier for purposes other than communication operations.

(b) The expenses shall include every element of cost (except taxes) incurred in such operations, including depreciation, amortization, insurance, assessments against such property for maintenance of public improvements, an equitable portion of administration expenses, uncollectible rentals, and any other costs incident to the operation of miscellaneous physical property.

NOTE: Taxes applicable to miscellaneous physical property and its operation shall be charged to account 5250, "Miscellaneous taxes."

§ 35.5115 *Income from merchandising, jobbing, and contracting.* (a) This account shall include the amounts received and the expenses (except taxes) incurred in connection with the sale of merchandise, including any amounts accruing to the carrier on jobbing and contracting work performed by its employees.

(b) This account shall be subdivided as follows:

5115:01 Income from merchandising, jobbing, and contracting.
5115:02 Costs and expenses of merchandising, jobbing and contracting.

NOTE A: Periodic charges for the use of plant includible in account 1000, "Operated plant in carrier's service." (See particularly the note following account 1100, "Operated plant leased to others.") and for installing, maintaining, inspecting, and servicing such

plant, shall be included in the appropriate operating-revenue account. (See § 35.31–2.)

NOTE B: Taxes applicable to merchandising, jobbing, and contracting shall be charged to account 5250, "Miscellaneous taxes."

§ 35.5120 *Dividend income.* This account shall include the amounts of income from dividends declared on stocks owned other than dividends on stocks includible in accounts 1630 to 1659, inclusive. (See particularly § 35.5135.)

NOTE: No amounts shall be entered in these accounts representing the value assigned to stock dividends received by the carrier on stocks of other persons. The proceeds realized from the subsequent sale or disposal of the stock received as a dividend, or of the stock with respect to which the dividend was paid, shall be appropriately accounted for, proper credit being given to the investment account for the portion of the book cost assignable to the shares sold or disposed of. Any profit or loss resulting from the transaction shall be credited to account 6110, "Extraordinary current income credits," or charged to account 6120, "Extraordinary current income charges," as appropriate.

§ 35.5125 *Interest income.* (a) This account shall include the amounts of interest income on investments in securities owned (other than securities includible in accounts 1630 to 1659, inclusive), including interest income on investment advances and on other loans, notes, special deposits, and other interest-bearing assets. (See also § 35.5135.)

(b) This account shall be subdivided as follows:

5125:01 Interest income on securities.
5125:02 Interest income on investment advances.
5125:99 Other interest income.

NOTE A: Interest on nominally issued and nominally outstanding long-term debt shall not be included in these accounts.

NOTE B: Interest that has accrued shall not be credited to this account unless its payment is reasonably assured.

§ 35.5135 *Income from debt-redemption and other funds.* (a) This account shall include the amounts of income (whether interest or dividends) accrued on cash, securities issued by other persons, or other assets held in accounts 1630 to 1659, inclusive, and also the amounts of income from securities issued or assumed by the carrier when regarded and treated as actually outstanding under the provisions of paragraph (h) of § 35.10–7. (See also § 35.30–2.)

(b) Unless otherwise required by contractual or other agreement, the expenses, losses, and fees incurred in connection with the operation of each fund shall be charged to this account.

(c) The records supporting the entries in this account shall be so maintained as to show separately the amounts of charges and the amounts of credits applicable to each fund.

§ 35.5140 *Gain or loss on foreign currency exchange.* (a) This account shall be credited or charged, as appropriate, with amounts representing the gain or loss resulting from the translation or the actual conversion of United States currency into foreign currency or vice versa. (See particularly § 35.03–16.)

(b) The records supporting the entries in this account shall be so maintained as to permit ready analysis of the amounts applicable to any transaction.

§ 35.5199 *Other noncommunication income.* This account shall include the amounts of noncommunication income not provided for elsewhere.

*Deductions From Ordinary Income*

§ 35.5205 *Rent for lease of operated plant.* (a) This account shall be charged with the amounts of rents that have accrued for the exclusive possession by the carrier of operated plant comprising substantially complete operating systems or operating units whether paid to the lessor in cash or disbursed by the lessee for the account of the lessor as interest on long-term debt, guaranteed dividends on stock, or otherwise.

(b) When the lease requires or available data permit such action, this account shall be credited with the amounts of taxes, depreciation, amortization, and maintenance and other expenses initially accounted for by the lessor on plant the rent for which is includible in this account. (See particularly § 35.30–3.)

(c) This account shall be subdivided as follows:

5205:01 Rent for identifiable plant.
5205:02 Rent for unidentifiable plant.

(d) The records supporting the entries in this account shall be so maintained as to show separately the following items applicable to the plant included in each leasing agreement:

Charges:
  Rents.
Credits (see paragraph (b) of this section):
  Items initially accounted for by the lessor:
    Taxes.
    Depreciation.
    Amortization.
    Maintenance.
    Other expenses.

NOTE: Rent for lease of facilities not constituting substantially complete operating systems or operating units shall be included in the appropriate operating-expense account.

§ 35.5210 *Interest on long-term debt.* (a) This account shall include the amounts of interest accrued on outstanding long-term debt issued or assumed by the carrier, the liability for which is included in accounts 2010, "Bonds actually issued," 2025, "Receivers' and trustees' securities," and 2099, "Other long-term debt," including such securities as are regarded and treated as actually outstanding under the provisions of paragraph (h) of § 35.10–7.

(b) The records supporting the entries in this account shall be so maintained as to show the interest accruals on each issue or series of long-term debt.

NOTE: Interest on nominally issued and nominally outstanding long-term debt shall not be included in these accounts.

§ 35.5215 *Interest on indebtedness to affiliates.* (a) This account shall include the amounts of interest accrued on indebtedness to affiliates the liability for which is included in accounts such as account 2030, "Advances from affiliates," and account 2129, "Other payable to affiliates."

(b) The records supporting the entries in this account shall be so maintained as to show to whom the interest is payable, the nature and amount of the principal obligation, and the rate of interest, under the following subdivisions:

5215:01 Interest on advances.
5215:02 Interest on other payables.

§ 35.5220 *Amortization of debt discount.* This account shall include amount representing the portion of unamortized discount on outstanding long-term debt that is applicable to the acounting period, determined in accordance with the provisions of paragraph (d) of § 35.10–14.

§ 35.5225 *Interest charged to construction—Cr.* This account shall be credited with the amounts charged to account 1300, "Plant under construction," as provided in paragraph (c) (8) of § 35.1–3.

§ 35.5230 *Amortization of debt premium—Cr.* This account shall include amounts representing the portion of unamortized premium on outstanding long-term debt that is applicable to the accounting period, determined in accordance with the provisions of paragraph (d) of § 35.10–14.

§ 35.5233 *Interest on past-due tax assessments.* This account shall include the amounts of interest charges applicable to the accounting period on tax assessments that are due and unpaid.

§ 35.5235 *Other interest charges.* (a) This account shall include the amounts of interest charges not provided for elsewhere. Among the items of indebtedness the interest on which is chargeable to this account are (1) past-due assessments for public improvements, (2) claims and judgments, (3) customers' deposits, (4) notes payable on demand or maturing less than 1 year from date of issuance, except notes payable to affiliates, and (5) open accounts, except with affiliates.

(b) The records supporting the entries in this account shall be so maintained as to show the nature and amount of each principal obligation, the rate and amount of interest applicable thereto, and the name of the person to whom payable.

§ 35.5240 *Taxes assumed on interest.* This account shall include the amounts paid to holders of bonds (or other evidences of indebtedness of the carrier), and the amounts paid to governmental agencies in their behalf, with respect to income and other taxes levied against the income from such debt or levied as a tax on ownership of the debt, when such taxes are assumed by the carrier.

§ 35.5245 *Amortization of debt expense.* This account shall include the amounts representing the portion of unamortized debt expense on outstanding long-term debt that is applicable to the accounting period, determined in accordance with the provisions of paragraph (d) of § 35.10–14.

§ 35.5250 *Miscellaneous taxes.* (a) This account shall include the amounts of taxes not provided for elsewhere. Among the items that shall be charged hereto are taxes applicable to miscellaneous physical property and the operation thereof, and taxes applicable to merchandising, jobbing, and contracting.

(b) Amounts charged to this account prior to payment shall be credited to account 2175, "Tax accruals."

§ 35.5255 *Amortization of plant-acquisition adjustments.* (a) This account shall be charged or credited, as the case may be, with such amounts as the Commission may authorize or direct to be included in deductions from ordinary income under a plan to amortize amounts in account 1510, "Plant-acquisition adjustments."

(b) Amounts recorded in this account shall be credited or charged, as the case may be, to account 1520, "Allowance for amortization; wire-telegraph and ocean-cable plant."

§ 35.5260 *Revenue-contract payments.* This account shall include amounts includible in deductions from ordinary income that represent payments to common carriers or other persons under the terms of contracts or agreements which provide that such common carriers or other persons shall receive amounts measured by the revenue or traffic of the accounting carrier, although such persons do not participate in the revenue services or transmission of such traffic. (See also § 35.31–3.)

§ 35.5298 *Foreign exchange; income differential.* (a) This account shall be charged or credited, as appropriate, with amounts representing the exchange differential applicable to income accounts 5000 to 5299, inclusive, except account 5140, "Gain or loss on foreign currency exchange," as provided in paragraph (c) of § 35.03–16.

(b) A separate subaccount with appropriate title shall be maintained for amounts applicable to each of the several primary income accounts affected.

§ 35.5299 *Other deductions from ordinary income.* This account shall include deductions from ordinary income not provided for elsewhere. Among the items that shall be charged to this account are contributions for charitable, social, or community-welfare purposes and membership fees and dues in associations other than those of the carrier itself in associations of communication carriers and those of employees in professional organizations, the amounts of depreciation and amortization on wire-telegraph and ocean-cable plant other than operated plant, and the amounts of uncollectible receivables, or provisions therefor, which are not includible in account 4935, "Uncollectible revenues," or account 6120, "Extraordinary current income charges." (See also § 35.03–7.)

*Extraordinary Income*

§ 35.6110 *Extraordinary current income credits.* This account shall include the amounts of income applicable to the current period from activities other than those usual and ordinary activities of the carrier recognized under the provisions of § 35.3000 and §§ 35.5000 to 35.5199, inclusive.

ITEMS

(See § 35.03–12)

Current liabilities written off in accordance with the provisions of paragraph (c) of § 35.10–5.
Forfeitures of amounts deposited with the carrier under options for the sale or lease of property.
Profits derived from the sale of property the cost of which is includible in account 1610, "Miscellaneous physical property."
Profits derived from the reacquisition and resale of securities other than capital stock.
Profits derived from the sale of securities of other persons.
Profits derived from the sale of plant. (See also paragraph (j) of § 35.1–6.)

§ 35.6120 *Extraordinary current income charges.* This account shall include the amounts properly chargeable against income during the current period, occasioned otherwise than by those usual and ordinary activities of the carrier recognized under the provisions of §§ 35.400 to 35.5099, inclusive, and §§ 35.5200 to 35.5299, inclusive.

ITEMS

(See § 35.03–12)

Amounts charged to income to provide for the extinguishment of amounts includible in account 81, "Organization."
Amounts charged to income in recognition of the decline in value of current assets and securities owned. (See also §§ 35.10–2 and 35.10–7.)
Capital-stock expense written off. (See also paragraph (b) of § 35.10–13.)
Forfeitures of amounts deposited by the carrier under options for the purchase or lease of property.
Inventory, appraisal, and other costs incident to the contemplated acquisition, sale, or lease of property when the projects are abandoned.
Long-term debt expense written off. (See also paragraphs (d), (e), and (f) of § 35.10–14.)
Losses of funds due to bank failures.
Losses on the sale of plant. (See also paragraph (j) of § 35.1–6.)
Losses resulting from the sale, destruction, or retirement of property the cost of which is includible in account 1610, "Miscellaneous physical property."
Losses resulting from the reacquisition and resale of securities other than capital stock.
Losses resulting from the sale of securities of other persons.
Penalties and fines paid on account of violations of statutes pertaining to regulation.
Uncollectible receivables written off.

§ 35.6210 *Delayed income credits.* This account shall include the amounts of extraordinary and nonrecurring delayed items, as provided in § 35.03–13.

§ 35.6220 *Delayed income charges.* This account shall include the amounts of extraordinary and nonrecurring delayed items as provided in § 35.03–13.

*Deductions From Net Income*

§ 35.7010 *Income taxes.* (a) This account shall include the amounts of foreign, Federal, State, and local government taxes on the income of the carrier, including additional assessments of such taxes.

(b) The record supporting the entries in this account shall be so maintained as to show the amounts included herein with respect to each taxing authority.

§ 35.7099 *Other deductions from net income.* This account shall include the amounts of deductions from net income not provided for elsewhere.

EARNED-SURPLUS ACCOUNTS

*Earned Surplus; Credits*

§ 35.8110 *Balance transferred from income accounts.* This account shall include the net balance transferred from the income accounts for the current year. (See particularly § 35.30–4.)

§ 35.8199 *Miscellaneous credits to earned surplus.* (a) This account shall include the amounts of credits affecting earned surplus not provided for elsewhere.

(b) The records supporting the entries in this account shall be so maintained that an analysis thereof may be shown in the reports to the Commission.

*Earned Surplus; Charges*

§ 35.8299 *Miscellaneous charges to earned surplus.* (a) This account shall include the amounts of charges affecting earned surplus not provided for elsewhere. Among the items that shall be charged hereto are discount on capital stock written off and such charges resulting from the reacquisition and resale of the carrier's capital stock as are provided in § 35.10–9.

(b) The records supporting the entries in this account shall be so maintained that an analysis thereof may be shown in the reports of the Commission.

§ 35.8310 *Contractual appropriations of earned surplus.* (a) This account shall include the amount of earned surplus reserved in accordance with the terms of mortgages, deeds of trust, orders of courts, contracts, or other agreements.

(b) Amounts charged to this account shall be credited to account 2610, "Contractual reserves."

(c) Amounts in account 2610 that are restored to surplus shall be credited to this account.

§ 35.8315 *Earned surplus employed in reacquisition of capital stock.* (a) This account shall be charged and account 2615, "Reserve against impairment of stated capital," shall be credited with the book amount of capital stock reacquired by the carrier and not retired.

(b) Upon resale or retirement of capital stock, this account shall be credited and account 2615, "Reserve against impairment of stated capital," shall be charged with the amounts included herein applicable to such stock.

§ 35.8320 *Miscellaneous appropriations of earned surplus.* (a) This account shall include the amount of reservations of earned surplus not provided for elsewhere.

(b) Amounts charged to this account shall be credited to account 2620, "Miscellaneous reserves."

(c) Amounts in account 2620 that are restored to surplus shall be credited to this account.

§ 35.8399 *Dividend appropriations of earned surplus.* (a) This account shall include the amount of earned surplus appropriated for dividends declared on the

actually outstanding capital stock of the carrier.

(b) The records supporting the entries in this account shall be so maintained as to show the amount of dividends declared on each class of capital stock. If dividends are not payable in cash, the medium of payment shall be described with sufficient particularity to identify it.

OPERATING-REVENUE ACCOUNTS

INSTRUCTIONS

§ 35.31–1 *Purpose of operating-revenue accounts.* The operating-revenue accounts are designed to show the carrier's portion of amounts received or receivable for the furnishing of communication service and services incidental thereto. (See also §§ 35.03–8 and 35.03–17.)

§ 35.31–2 *Basis of credits to the operating-revenue accounts.* (a) Credits to the operating-revenue accounts shall be based upon the actual amount chargeable for services rendered by the carrier.

NOTE A: Corrections of overcharges and of overcollections and payments of collections on behalf of others previously credited to the operating-revenue accounts shall be charged to the account or accounts privously credited.

NOTE B: Authorized refunds and adjustments on account of failures in service shall be charged to account 4281, "Traffic-damage awards."

(b) The appropriate operating-revenue accounts shall be credited with:

(1) Amounts charged for installations, for termination and restoration of service, for inside and outside moves, for instrument changes, and for similar service requirements.

(2) Amounts of initial nonrecurring charges for special or auxiliary equipment furnished in rendering service to a customer, except that charges for the cost of such equipment the ownership of which rests with or will revert to the customer shall be credited to the accounts charged with the cost of such equipment.

(3) Amounts of initial nonrecurring charges for installation of special or auxiliary equipment furnished by a customer.

(4) Amounts of service charges for supplemental or auxiliary equipment furnished in rendering service to a customer.

(5) Amounts collected from users as costs of delivery beyond the free-delivery zones adjacent to terminals of the carrier. (See also note C in § 35.31–3.)

§ 35.31–3 *Divisions of operating revenues.* (a) Amounts representing the carrier's portion of revenues receivable from other communication carriers for participation in the revenue service shall be credited to the appropriate operating-revenue accounts and charged to the account maintained for traffic settlements with the respective carriers, as provided in § 35.03–19.

(b) Amounts payable for participation by others in the revenue service shall be excluded from (or, if previously credited thereto, charged to the appropriate) operating-revenue accounts and credited to the account maintained for traffic settlements with the respective carriers, as provided in § 35.03–19.

NOTE A: The term "participation in the revenue service," as used in this section, does not include terminal services rendered by a carrier acting as agent for another carrier, e. g., it does not include (1) the receipt or delivery of messages wherein a carrier does not participate, with respect to this particular traffic, in other than such terminal services, or, sometimes further in connection therewith, (2) the use of a carrier's employees and facilities in originating and terminating messages at rates or under classifications that are not available to the general public.

NOTE B: Amounts (other than those representing commissions or participation in the revenue service) payable to common carriers or other persons under the terms of contracts or agreements which provide that such common carriers or other persons shall receive amounts measured by revenues or traffic of the accounting carrier, shall be include in account 4950, "Revenue-contract payments," or account 5260, "Revenue-contract payments," as appropriate.

NOTE C: Amounts payable for services performed for the carrier, such as tolls or rental charges, including those collected from users as costs of delivery beyond the free-delivery zones adjacent to the terminals of the carrier, shall be charged to the appropriate operating-expense accounts.

§ 35.31–4 *Services furnished without direct charge.* (a) Amounts representing wire-telegraph and ocean-cable services furnished to a national government, a State, or a political subdivision thereof without direct compensation, in accordance with franchise requirements, shall be charged and credited to the appropriate subdivisions of account 4341, "Franchise requirements."

(b) Records shall be maintained to show amounts representing any other wire-telegraph and ocean-cable services which are carried on especially for the needs of a specific service of general interest and are not open to public correspondence and for which no direct compensation is received.

§ 35.31–5 *Preparation for allocation of wire-telegraph revenues to continental communication and to foreign communication (under domestic-service classification).* The carrier's records shall be so maintained that in reports to the Commission there may be shown (separately (1) with respect to each of the four classifications of service appearing under account 3110, "Public message revenue," and (2) as to accounts 3115 to 3155, inclusive, in their respective aggregates) the amounts of revenue respectively derived from continental communication and from foreign communication under domestic-service classification.

§ 35.31–6 *Preparation for allocation of ocean-cable revenues to foreign communication and to insular communication.* The carrier's records shall be so maintained that in reports to the Commission there may be shown (separately (1) with respect to each of the two classifications of service appearing under account 3210, "Public message revenue," and (2) as to accounts 3215 to 3255, inclusive, in their respective aggregates) the amounts of revenue respectively derived from foreign communication and from insular communication.

§ 35.31–99 *Contemplated form of operating-revenue statement.* (See § 35.03–9.)

| Account No. | Particulars | Amount of revenue for the year |
|---|---|---|
| | *Wire-telegraph transmission revenues* | |
| 3110 | Public message revenue | $ |
| 3115 | United States government message revenue | |
| 3125 | Press message revenue | |
| 3130 | Money-order message revenue | |
| 3135 | News (CND) service revenue | |
| 3140 | Contract (CAK) message revenue | |
| 3145 | Facsimile or photogram service revenue | |
| 3155 | Telephone service revenue | |
| 3160 | Wire-telegraph revenue on cable and radio messages | |
| 3199 | Other wire-telegraph transmission revenues | |
| | Total wire-telegraph transmission revenues | $ |
| | *Ocean-cable transmission revenues* | |
| 3210 | Public message revenue | $ |
| 3215 | United States government message revenue | |
| 3220 | Other governments message revenue | |
| 3225 | Press message revenue | |
| 3230 | Money-order message revenue | |
| 3235 | News (CND) service revenue | |
| 3245 | Facsimile or photogram service revenue | |
| 3255 | Telephone service revenue | |
| 3299 | Other ocean-cable transmission revenues | |
| | Total ocean-cable transmission revenues | $ |
| | Total transmission revenues | $ |
| | *Terminal commission revenues* | |
| 3350 | Terminal commissions | $ |
| | *Wire-telegraph nontransmission revenues* | |
| 3410 | Leased-circuit revenue | $ |
| 3415 | Measured-service revenue | |
| 3420 | Other leased-plant revenue | |
| 3425 | Code-registration revenue | |
| 3430 | Errand-service revenue | |
| 3435 | Money-order charges | |
| 3440 | Time-service revenue | |
| 3499 | Other wire-telegraph nontransmission revenues | |
| | Total wire-telegraph nontransmission revenues | $ |
| | *Ocean-cable nontransmission revenues* | |
| 3510 | Leased-circuit revenue | $ |
| 3515 | Measured-service revenue | |
| 3520 | Other leased-plant revenue | |
| 3525 | Code-registration revenue | |
| 3530 | Errand-service revenue | |
| 3535 | Money-order charges | |
| 3540 | Time-service revenue | |
| 3599 | Other ocean-cable nontransmission revenues | |
| | Total ocean-cable nontransmission revenues | $ |
| | *Other telecommunication revenues* | |
| 3610 | Telephone revenue—Telephone systems | $ |
| 3625 | Radiotelegraph revenue—Radiotelegraph systems | |
| | Total other telecommunication revenues | $ |
| | Total operating revenues | [1] $ |

[1] Amount transferred to account 3000, "Operating revenues."

PRESCRIBED ACCOUNTS

NOTE: Number to the right of the decimal point is the account number.

*Wire-Telegraph Transmission Revenues*

§ 35.3110 *Public message revenue.* (a) This account shall include the carrier's portion of revenue from the wire-telegraph transmission of messages for the general public.

(b) A memorandum record supporting the entries in this account shall be prepared by class A carriers on a calendar-month basis from statistical records of revenue which will show the allocation of amounts in this account among the following classifications of revenue:

(1) *General message revenue.* This classification shall include the carrier's portion of revenue from the wire-telegraph transmission, at the effective rates available to the general public, of the following and similar classes of public messages:

Full rate messages,
Day letters, and
Night letters,

including multiple-address or book messages, and similar services related to the above classes.

(2) *Serial message revenue.* This classification shall include the carrier's portion of revenue from the wire-telegraph transmission of public messages, at the effective rates available to the general public, applicable when more than one message or section of a message is sent to the same addressee at the same destination within a specified period of relatively short duration.

(3) *Timed-wire service revenue.* This classification shall include the carrier's portion of revenue from the wire-telegraph transmission of public messages when the basis of the effective rates is the time employed, required, or allowed for such transmission, whether such time is computed on basis of the number of words transmitted converted into equivalent minutes, or on basis of the actual time required for transmission.

(4) *Greetings and other flat-rate message revenue.* (i) This classification shall include the carrier's portion of revenue from the wire-telegraph transmission, at the effective flat or fixed rates (applicable regardless of distance), of classes of fixed-text public messages and messages of sender's composition, such as holiday-greeting messages, including multiple-address or book messages and similar services related to these classes.

(ii) Allocations to this classification shall reflect due consideration of the effect of the abnormal traffic existing upon special occasions, such as holidays.

§ 35.3115 *United States government message revenue.* (a) This account shall include the carrier's portion of revenue from the wire-telegraph transmission, at the effective rates available to the United States government or any department or agency thereof, of classes of official messages such as the following:

Government full rate messages.
Government day letters.
Government night letters.
Government serial messages.
Government timed-wire service messages.

(b) This account shall also include under a separate subdivision the carrier's portion of revenue from the wire-telegraph transmission of government weather-bureau messages.

§ 35.3125 *Press message revenue.* This account shall include the carrier's portion of revenue from the wire-telegraph transmission of classes of messages restricted as to text, at the effective rates for press services that are less than rates for comparable services to the general public.

§ 35.3130 *Money-order message revenue.* This account shall include the carrier's portion of revenue from the wire-telegraph transmission, at the effective rates available to the general public, of messages incidental to, and of messages accompanying, telegraphic money-orders.

§ 35.3135 *News (CND) service revenue.* This account shall include the carrier's portion of revenue from the wire-telegraph transmission of the following and similar classes of messages and reports disseminated by the carrier to its subscribers:

Baseball, football, or other sporting-event reports.
Market quotations.
News ticker.
Sports ticker.
Stock ticker.

§ 35.3140 *Contract (CAK) message revenue.* This account shall include the carrier's portion of revenue from the wire-telegraph transmission of messages of transportation carriers and others at rates established for collection under contractual agreements that provide for certain free or concession services.

§ 35.3145 *Facsimile or photogram service revenue.* This account shall include the carrier's portion of revenue from the wire-telegraph transmission of any matter (other than matter being transmitted at the effective rates applicable to messages) involving the use of facsimile or other reproducing equipment.

§ 35.3155 *Telephone service revenue.* This account shall include the carrier's portion of revenue from telephone operations which involve plant primarily used in wire-telegraph service. (See also §§ 35.03–8 and 35.3610.)

§ 35.3160 *Wire-telegraph revenue on cable and radio messages.* (a) This account shall include the carrier's portion of revenue from the wire-telegraph transmission of insular, mobile, and foreign communication.

(b) The carrier's records shall be so maintained that in reports to the Commission there may be shown, at least on basis of statistical determinations, the revenue derived from each of the following classes of service:

Foreign messages.
Insular messages.
Marine messages.
Mobile (other than marine) messages.

§ 35.3199 *Other wire-telegraph transmission revenues.* (a) This account shall include the carrier's portion of revenue from wire-telegraph transmission services not provided for elsewhere.

(b) The carrier's records shall be so maintained that in reports to the Commission there may be shown separately the carrier's portion of the revenue from broadcast-program transmission that is includible in this account. (See particularly the note in § 35.3410.)

*Ocean-Cable Transmission Revenues*

§ 35.3210 *Public message revenue.* (a) This account shall include the carrier's portion of revenue from the ocean-cable transmission of messages for the general public.

(b) A memorandum record supporting the entries in this account shall be prepared by class A carriers on a calendar-month basis from statistical records of revenue which will show the allocation of amounts in this account among the following classifications of revenue:

(1) *General message revenue.* This classification shall include the carrier's portion of revenue from the ocean-cable transmission, at the effective rates available to the general public, of the following and similar classes of public messages:

Urgent messages,
Urgent CDE messages,
Ordinary mesages,
Ordinary CDE messages,
Letter (DLT and NLT) messages, and
Deferred (LO) messages,

including multiple-address or book messages and similar services related to the above classes.

(2) *Greetings and other flat-rate message revenue.* (i) This classification shall include the carrier's portion of revenue from the transmission, at the effective flat or fixed rates (applicable regardless of distance), of classes of fixed-text public messages and messages of sender's composition, such as holiday-greeting messages, including multiple-address or book messages and similar services related to these classes.

(ii) Allocations to this classification shall reflect due consideration of the effect of the abnormal traffic existing upon special occasions, such as holidays.

§ 35.3215 *United States government message revenue.* (a) This account shall include the carrier's portion of revenue from the ocean-cable transmission, at the effective rates available to the United States government or any department or agency thereof, of classes of official messages such as the following:

Government ordinary messages.
Government CDE messages.
Government full rate messages.
Government day letters.
Government night letters.

(b) This account shall also include under a separate subdivision the carrier's portion of revenue from the ocean-cable transmission of government weather-bureau messages.

§ 35.3220 *Other governments message revenue.* This account shall include the carrier's portion of revenue from the ocean-cable transmission, at the effective rates (available to governments other than the United States) that are less than the rates for comparable service to the general public, of classes of messages such as the following:

Government ordinary messages.
Government CDE messages.
Government full rate messages.
Government day letters.
Government night letters.

§ 35.3225 *Press message revenue.* This account shall include the carrier's portion of revenue from the ocean-cable transmission of classes of messages restricted as to text, at the effective rates

for press services that are less than rates for comparable services to the general public.

§ 35.3230 *Money-order message revenue.* This account shall include the carrier's portion of revenue from the ocean-cable transmission, at the effective rates available to the general public, of messages incidental to, and of messages accompanying, telegraphic money-orders.

§ 35.3235 *News (CND) service revenue.* This account shall include the carrier's portion of revenue from the ocean-cable transmission of the following and similar classes of messages and reports disseminated by the carrier to its subscribers:

Baseball, football, or other sporting-event reports.
Market quotations.
News ticker.
Sports ticker.
Stock ticker.

§ 35.3245 *Facsimile or photogram service revenue.* This account shall include the carrier's portion of revenue from the ocean-cable transmission of any matter (other than matter being transmitted at the effective rates applicable to messages) involving the use of facsimile or other reproducing equipment.

§ 35.3255 *Telephone service revenue.* This account shall include the carrier's portion of revenue from telephone operations which involve plant primarily used in ocean-cable service. (See also §§ 35.03–8 and 35.3610.)

§ 35.3299 *Other ocean-cable transmission revenues.* This account shall include the carrier's portion of revenue from ocean-cable transmission services not provided for elsewhere.

*Terminal Commission Revenues*

§ 35.3350 *Terminal commissions.* This account shall include the amounts of commissions receivable by the carrier for services rendered to other carriers in originating or terminating messages or for similar communication services. (See particularly §§ 35.03–20, 35.31–3, and 35.4275.)

*Wire-Telegraph Nontransmission Revenues*

§ 35.3410 *Leased-circuit revenue.* (a) This account shall include the carrier's portion of revenue from the use by others of wires, cables, channels, circuits, and similar wire-telegraph facilities not part of substantially complete operating systems or operating units leased to others, when the charge therefor is based on contractual rent agreements providing for definite periodic terms without regard to the extent of the service obtained by the users of such facilities. (See also §§ 35.30–3, 35.3415, and 35.3420.)

(b) The carrier's records shall be so maintained that in reports to the Commission there may be shown separately the carrier's portion of the revenue derived from the leasing of circuits for the purpose of transmission of broadcast programs by the lessee.

NOTE: The carrier's portion of revenue derived in instances in which its employees participate in (1) energizing or monitoring circuits, (2) maintaining fidelity of sound output, or (3) otherwise contributing technically to the transmission of broadcast programs (excepting the ordinary maintenance, testing, and regulating performed for all leased-wire customers) shall not be included in this account but in account 3199, "Other wire-telegraph transmission revenues."

§ 35.3415 *Measured-service revenue.* This account shall include the carrier's portion of revenue from the use, at rates available to the general public as facilities are available, of wire-telegraph facilities furnished by the carrier to provide for direct communication by customers when the charge therefor is on the basis of the measured number of impulses or words transmitted, such as telemeter service.

§ 35.3420 *Other leased-plant revenue.* This account shall include the carrier's portion of revenue from the use by others of wire-telegraph plant not provided for elsewhere. (See also §§ 35.30–3, 35.3410, and 35.3415.)

§ 35.3425 *Code-registration revenue.* This account shall include the carrier's portion of revenue from the registration of code names, titles, symbols, and addresses, and other similar code-registration services incidental to wire-telegraph operations.

§ 35.3430 *Errand-service revenue.* This account shall include the carrier's portion of revenue from the utilization of messengers in wire-telegraph services not connected with the transmission of messages.

§ 35.3435 *Money-order charges.* This account shall include the carrier's portion of revenue from charges for wire-telegraph money-order service as distinguished from revenue messages incidental to such service. (See also §§ 35.3130, 35.3230, and 35.3535.)

§ 35.3440 *Time-service revenue.* This account shall include the carrier's portion of revenue from services in connection with self-winding clocks and other synchronizing devices when such services are incidental to wire-telegraph operations.

§ 35.3499 *Other wire-telegraph nontransmission revenues.* This account shall include the carrier's portion of revenue from non-transmission services incidental to wire-telegraph operations not provided for elsewhere.

*Ocean-Cable Nontransmission Revenues*

§ 35.3510 *Leased-circuit revenue.* This account shall include the carrier's portion of revenue from the use by others of wires, cables, channels, circuits, and similar ocean-cable facilities not part of substantially complete operating systems or operating units leased to others when the charge therefor is based on contractual rent agreements providing for definite periodic terms without regard to the extent of service obtained by the users of such facilities. (See also §§ 35.30–3, 35.3515, and 35.3520.)

§ 35.3515 *Measured-service revenue.* This account shall include the carrier's portion of revenue from the use, at rates available to the general public as facilities are available, of ocean-cable facilities furnished by the carrier to provide for direct communication by customers when the charge therefor is on the basis of the measured number of impulses or words transmitted, such as telemeter service.

§ 35.3520 *Other leased-plant revenue.* This account shall include the carrier's portion of revenue from the use by others of ocean-cable plant not provided for elsewhere. (See also §§ 35.30–3, 35.3510, and 35.3515.)

§ 35.3525 *Code-registration revenue.* This account shall include the carrier's portion of revenue from registration of code names, titles, symbols, and addresses, and other similar code-registration services incidental to ocean-cable operations.

§ 35.3530 *Errand-service revenue.* This account shall include the carrier's portion of revenue from the utilization of messengers in ocean-cable services not connected with the transmission of messages.

§ 35.3535 *Money-order charges.* This account shall include the carrier's portion of revenue from charges for ocean-cable money-order service as distinguished from revenue messages incidental to such service. (See also §§ 35.3130, 35.3230, and 35.3435.)

§ 35.3540 *Time-service revenue.* This account shall include the carrier's portion of revenue from services in connection with self-winding clocks and other synchronizing devices when such services are incidental to ocean-cable operations.

§ 35.3599 *Other ocean-cable nontransmission revenues.* This account shall include the carrier's portion of revenue from nontransmission services incidental to ocean-cable operations not provided for elsewhere.

*Other Telecommunication Revenues*

§ 35.3610 *Telephone revenue; telephone systems.* (a) This account shall include the carrier's revenue from the operation of telephone systems as provided in § 35.03–8.

(b) The records supporting the entries in this account shall be so maintained as to indicate the amount applicable to each primary operating-revenue account provided in the uniform system of accounts prescribed by the Commission for telephone companies having average annual operating revenues equivalent to the estimated annual telephone revenues of the carrier. (See also §§ 35.3155 and 35.3255.)

§ 35.3625 *Radiotelegraph revenue; radiotelegraph systems.* (a) This account shall include the carrier's portion of revenue from the operation of radiotelegraph systems as provided in § 35.03–8.

(b) The records supporting the entries in this account shall be so maintained as to indicate the amount applicable to each primary operating-revenue account provided in the uniform system of accounts prescribed by the Commission for class A and class B radiotelegraph carriers (unless radiotelegraph revenues have been included properly in account 5089, "Income from foreign operations").

## Operating-Expense Accounts

### Instructions

§ 35.41–1 *Purpose of operating-expense accounts.* The operating-expense accounts (accounts 4100 to 4499, inclusive) and the other operating-revenue deduction accounts (accounts 4900 to 4999, inclusive, except account 4945) are designed to show the cost of furnishing wire-telegraph and ocean-cable services. Of these accounts, the operating-expense accounts are designed to indicate in detail the carrier's portion of the amounts of the maintenance, conducting-operations, general, and administrative expenses. (See also §§ 35.03–8, 35.03–13, 35.03–14, 35.03–15, and 35.03–17.)

§ 35.41–2 *Basis of charges to the operating-expense accounts.* Charges to the operating-expense accounts shall be based upon the actual expenses incurred by or on behalf of the carrier. (See particularly § 35.03–18 and paragraph (b) of § 35.03–16.)

Note: When, for convenience in accounting, the operating-expense accounts are charged in the first instance with amounts representing items that are not properly chargeable to the accounting carrier's wire-telegraph and ocean-cable operations, such as those applicable to joint operations as referred to in § 35.03–18 or those directly applicable to telephone or radiotelegraph operations as referred to in § 35.03–8, the appropriate clearing credits shall be made in the primary accounts to which such items were originally charged. This procedure should not be followed in connection with transactions includible in account 4275, "Terminal commissions; expense credit," or account 4317, "General services, licenses, and royalties—Cr." (See also § 35.03–14.)

§ 35.41–3 *Operating expenses applicable to leased plant.* Operating expenses applicable to leased plant shall be charged by the lessee to the appropriate operating-expense accounts as provided in paragraphs (c) and (d) of § 35.30–3. (See also § 35.03–21.)

§ 35.41–4 *Subdivisions of operating-expense accounts.* (a) Carriers furnishing both wire-telegraph and ocean-cable services shall maintain separate accounts for the operating expenses applicable to each such service.

(b) Appropriate subdivisions shall be maintained for operating expenses that are directly applicable to telephone or radiotelegraph operations as provided in paragraph (c) of § 35.03–8.

(c) Each operating-expense account (except the accounts for maintenance expenses) that includes more than one of the following elements (e. g., accounts 4291 and 4295) shall be subdivided as follows:

:1 Compensation of officers and employees. (See particularly § 35.41–5.)
:2 Overheads (not includible elsewhere).
:3 Material and supplies (including supply expense).
:9 Other charges.

Note: Subdivisions of the accounts for maintenance expenses are prescribed in paragraph (b) of § 35.41–7.

§ 35.41–5 *Supervision and engineering.* The supervision and engineering expenses includible in the operating-expense accounts shall consist of the pay and expenses (company and railroad transportation, lodging, meals, taxicab fares and carfares, and other traveling and incidental expenses) of officers and employees of the carrier, and of consultants engaged in supervising and directing the operation and maintenance of wire-telegraph and ocean-cable plant; also office supplies for their use and other office expenses, including the maintenance of office furniture and equipment. (See also § 35.03–17.)

Note: The cost of direct supervision, such as by foremen or superintendents of repair gangs, and by supervisors in charge of particular operating functions, shall be included in the account or subaccount appropriate for the compensation of the employees whose work they are directing or supervising.

§ 35.41–6 *Expenses of holding or servicing departments.* The records supporting such portions of the charges to each operating-expense or other account as are incurred or recorded by departments performing holding-company activities or furnishing services (other than telegraph services performed at published tariff rates) to other carriers or affiliates under license agreements, general service contracts, or other arrangements providing for the furnishing of general accounting, engineering, financial, legal, patent, or other general services, shall be so maintained that the carrier can report separately the amount of charges included in such operating-expense accounts applicable to each such other carrier or affiliate.

§ 35.41–7 *Maintenance expenses.* (a) The cost of maintenance chargeable to the various operating-expense accounts and to the clearing accounts includes labor, materials, and overhead and other expenses incurred in maintenance work, such as:

(1) Inspecting, testing, and reporting on the condition of plant to determine the need for repairs, minor replacements, and rearrangements.

(2) Testing for, locating, and clearing trouble.

(3) Routine work (see also note A in this section) to prevent trouble such as pulling up slack, tightening guys, raking guy poles, trimming trees, straightening poles and crossarms, and cleaning and adjusting equipment.

(4) Replacing minor items of operated plant except when such items are replaced through the replacement of retirement units. (See also § 35.1–6.)

(5) Rearranging and changing the location of plant not retired.

(6) Minor repairs of materials for reuse. (See, however, §§ 35.1795 and 35.9016.)

(7) Restoring the condition of plant damaged by storm, flood, fire, accident, or other casualty. (See also § 35.2215 and note A in this section.)

(8) Restoring the condition of plant damaged by wear and tear, decay, or normal action of the elements. (See also note A in this section.)

(9) Cutting and replacing pavement, pavement base, and sidewalks in connection with repairs.

(10) Permits and privileges for maintenance work.

(11) Inspecting and testing after repairs have been made.

(12) Portion of local plant supervision attributable to maintenance.

(13) Cost of transportation, shop and store expenses, and use of tools and implements.

(14) Cost of installation, equipment changes, and similar services, for which the carrier is reimbursed in whole or in part, or for which a charge is made by the carrier.

(b) Each maintenance-expense account shall be subdivided to indicate separately the amounts of (1) "direct labor," including the compensation of employees directly engaged in maintenance work and the compensation for direct supervision by such employees as foremen or superintendents of repair gangs, (2) "supervision and other overheads," including engineering and other expenses as provided in § 35.41–5, (3) "direct material," including the cost of supplies and the amounts of supply expense applicable to the material issued, and (4) those direct charges that cannot be assigned to either labor or material. Thus the subdivisions of these accounts are as follows:

:1 Direct labor.
:2 Supervision and other overheads.
:3 Direct material (including supply expense).
:9 Other charges.

(c) Materials recovered in connection with the maintenance of plant shall be credited to the same account to which the maintenance cost was charged.

(d) Salvage and insurance recovered in connection with maintenance shall be credited to the appropriate maintenance account.

(e) If any amount of insurance recovered is relatively large and is received before the repairs have been completed, a disproportionate credit to the expense accounts may be avoided by crediting the amount of the insurance recovered to an appropriate subaccount of account 2399, "Other deferred credits," to which the cost of repairs shall then be charged to the extent covered by the insurance.

(f) Any incidental revenues received or earned, through the use of the carrier's employees or work equipment primarily engaged in maintenance work, shall be credited to the same account to which the maintenance cost was charged. Such revenues include those from the transportation of passengers or freight in or on the carrier's own transportation equipment, those from repairs made to the communication lines of other carriers, and those from other analogous operations involving the services of maintenance employees and equipment.

Note A: The cost of maintenance does not include the cost of replacing quantities of plant designated as retirement units in § 35.1–6–1.

Note B: Expenses incurred on account of property of others damaged in connection with maintenance work (except for the cost of incidentally repairing the property of others in the course of such work) shall be included in account 4325, "Injuries and damages."

Note C: Income from the use of work equipment of the carrier under leases that provide for exclusive possession by the lessee shall be included in account 5010, "Income from operating plant leased to others." (See particularly the note in § 35.1100.)

§ 35.41–99 *Contemplated form of operating-expense statement.* (See § 35.03–9.)

| Account No. (1) | Particulars (2) | Wire-telegraph (3) | Ocean-cable (4) | Total (5) |
|---|---|---|---|---|
| | *Maintenance expenses* | | | |
| 4110 | Testing and regulating | $ | $ | $ |
| 4120 | Maintenance of inside plant | | | |
| 4130 | Maintenance of aerial plant | | | |
| 4140 | Maintenance of underground plant | | | |
| 4150 | Maintenance of real estate | | | |
| 4160 | Maintenance of ocean cable | | | |
| 4180 | Maintenance-expense equalization | | | |
| 4199 | Other maintenance expenses | | | |
| | Total maintenance expenses | $ | $ | $ |
| | *Conducting-operations expenses* | | | |
| 4211 | Supervision of operations | $ | $ | $ |
| 4212 | Wages of operators | | | |
| 4213 | Wages of operating-office clerks | | | |
| 4214 | Wages of solicitors | | | |
| 4215 | Wages of messengers | | | |
| 4219 | Wages of other operating-office employees | | | |
| 4221 | Field-supervision expense | | | |
| 4223 | Advertising and soliciting expense | | | |
| 4231 | Messenger-uniform expense | | | |
| 4239 | Other messenger expense | | | |
| 4240 | Operating power | | | |
| 4251 | House service—Operating offices | | | |
| 4255 | Postage and stationery—Operating offices | | | |
| 4259 | Other supplies—Operating offices | | | |
| 4261 | Rents for operating offices | | | |
| 4269 | Rents for other facilities | | | |
| 4271 | Telephone company service | | | |
| 4273 | Terminal commission charges | | | |
| 4275 | Terminal commissions—Expense credit | (Red) | (Red) | (Red) |
| 4279 | Obtaining news (CND) services | | | |
| 4281 | Traffic-damage awards | | | |
| 4285 | Traffic-damage expense | | | |
| 4291 | Rest and lunch rooms | | | |
| 4295 | Employment and training | | | |
| 4299 | Other conducting-operations expenses | | | |
| | Total conducting-operations expenses | $ | $ | $ |
| | *General expenses* | | | |
| 4311 | Legal services | $ | $ | $ |
| 4315 | General services, licenses, and royalties—Dr | | | |
| 4317 | General services, licenses, and royalties—Cr | (Red) | (Red) | (Red) |
| 4321 | Insurance | | | |
| 4323 | Workmen's compensation | | | |
| 4325 | Injuries and damages | | | |
| 4327 | Relief and pensions | | | |
| 4341 | Franchise requirements | | | |
| 4399 | Other general expenses | | | |
| | Total general expenses | $ | $ | $ |
| | *Administrative expenses* | | | |
| 4410 | Salaries of general officers and executives | $ | $ | $ |
| 4420 | Salaries of general office employees | | | |
| 4430 | Expenses of general officers and general office employees | | | |
| 4499 | Other administrative expenses | | | |
| | Total administrative expenses | $ | $ | $ |
| | Total operating expenses | $ | $ | [1]$ |

[1] Amount transferred to account 4000, "Operating expenses."

PRESCRIBED ACCOUNTS

NOTE: Number to the right of the decimal point is the account number.

*Maintenance Expenses*

§ 35.4110 *Testing and regulating.* This account shall include the amounts of expenses incurred in patching wires, and in testing, watching, and regulating the operations of inside communication equipment; also in testing from test desks with repairmen engaged in maintenance of outside plant during the course of their work or upon its completion; and in making other tests to determine the condition of plant or to locate trouble. (See particularly § 35.41–7.)

NOTE: The expenses incurred in testing outside plant (other than the incidental inside testing indicated in the text of this account) shall be included in account 4130, "Maintenance of aerial plant," account 4140, "Maintenance of underground plant," account 4150, "Maintenance of real estate," or account 4160, "Maintenance of ocean cable," as appropriate.

§ 35.4120 *Maintenance of inside plant.* This account shall include the amounts of expenses incurred in maintaining operated plant the cost of which is includible in the accounts provided for inside communication plant and accounts 61 and 69, and similar operated plant leased from others. (See particularly § 35.41–7.)

§ 35.4130 *Maintenance of aerial plant.* This account shall include the amounts of expenses incurred in maintaining (1) operated plant the cost of which is includible in accounts 21, 22, 23, and 27, (2) similar operated plant leased from others, and (3) the right of way therefor. (See particularly § 35.41–7.)

§ 35.4140 *Maintenance of underground plant.* This account shall include the amounts of expenses incurred in maintaining (1) operated plant the cost of which is includible in accounts 24, 25, 26, 28 and 29, (2) similar operated plant leased from others, and (3) the right of way therefor. (See particularly § 35.41–7.)

§ 35.4150 *Maintenance of real estate.* This account shall include the amounts of expenses incurred in maintaining operated plant the cost of which is includible in the accounts provided for real estate (other than land used for right of way) and similar operated plant leased from others. (See particularly § 35.41–7.)

NOTE A: The cost of initial improvements in the preparation for service of either leased or purchased land, land improvements, and buildings shall be charged to the appropriate operated plant accounts, except when such improvements are of relatively minor cost or short life or the period of the lease is not more than 1 year. (See also §§ 35.1–1, 35.1–2, and 35.1–5.)

NOTE B: The cost of maintenance of land, land improvements, and buildings, the investment in which is includible in account 1610, "Miscellaneous physical property," shall be charged to account 5110, "Income from miscellaneous physical property."

NOTE C: The cost of maintenance of land used for right of way shall be charged to account 4130, "Maintenance of aerial plant," or account 4140, "Maintenance of underground plant," as appropriate.

NOTE D: Any substantial increase or decrease in partitions resulting from changes therein shall be accounted for as additions or retirements, as appropriate.

NOTE E: When partitions of a movable type are replaced by partitions of a permanent type or vice versa, the costs involved shall be accounted for through the plant and depreciation-allowance accounts.

NOTE F: The cost of minor building alterations, such as opening and closing holes in ceilings, partitions, walls, and floors, incident to the installation of equipment, shall be included in the installation cost of the equipment.

§ 35.4160 *Maintenance of ocean cable.* This account shall include the amounts of expenses incurred in maintaining transoceanic-type cable (including terminal huts or houses and the equipment contained therein) and similar operated plant leased from others. (See particularly § 35.41–7.)

§ 35.4180 *Maintenance-expense equalization.* This account shall include such amounts as the Commission may authorize or direct under an approved plan to equalize maintenance expenses as provided in § 35.2220.

§ 35.4199 *Other maintenance expenses.* This account shall include the amounts of maintenance expenses not provided for elsewhere.

*Conducting-Operations Expenses*

§ 35.4211 *Supervision of operations.* (a) This account shall include the compensation of officers and employees engaged in supervising or directing the operations of wire-telegraph and ocean-cable services. (See particularly paragraphs (b) and (c) of § 35.03–17; also § 35.41–5.)

(b) This account shall be subdivided between "General" (for the inclusion of the compensation of employees engaged in supervisory work at the headquarters or within geographical areas) and "Local" (for the inclusion of the compensation of employees engaged primarily in supervising or directing the operations of others in operating offices). Thus the subdivisions of this account shall be as follows:

4211:21 General supervision.
4211:22 Local supervision.

NOTE: The amounts of travel and other expenses of officers and employees whose compensation is includible in this account shall be included in account 4221, "Field-supervision expense."

§ 35.4212 *Wages of operators.* This account shall include the amounts of compensation of employees engaged primarily in the transmission of messages. (See particularly paragraphs (b) and (c) of § 35.03–17.)

§ 35.4213 *Wages of operating-office clerks.* This account shall include the amounts of compensation of employees engaged primarily in the receiving and delivering of messages at counters or by telephone and in quoting rates, collecting charges, keeping accounts, and performing other clerical duties in operating offices. (See particularly paragraphs (b) and (c) of § 35.03–17.)

§ 35.4214 *Wages of solicitors.* This account shall include the amounts of compensation of employees engaged pri-

marily in canvassing for business and interviewing customers for the purpose of promoting the further use of wire-telegraph and ocean-cable services. (See particularly paragraphs (b) and (c) of § 35.03–17; also § 35.4223.)

§ 35.4215 *Wages of messengers.* This account shall include the amounts of compensation of employees engaged primarily in the pick-up and delivery of messages and in performing errand services. (See particularly paragraphs (b) and (c) of § 35.03–17; also § 35.4239.)

§ 35.4219 *Wages of other operating-office employees.* This account shall include the compensation of employees engaged in any phase of conducting operations not provided for elsewhere. (See particularly paragraphs (b) and (c) of § 35.03–17; also §§ 35.4240, 35. 4279, and 35.4285.)

§ 35.4221 *Field-supervision expense.* This account shall include the amounts of travel expenses and expenses not provided for elsewhere of officers and employees the compensation of whom is includible in account 4211, "Supervision of operations."

§ 35.4223 *Advertising and soliciting expense.* This account shall include the amounts of expenses incurred by employees whose compensation is includible in account 4214, "Wages of solicitors," and also expenses incurred in connection with commercial advertising for the purpose of promoting the further use of wire-telegraph and ocean-cable services, such as expenditures for newspaper advertising, literature, and similar items.

NOTE A: The costs of newspaper advertisements, literature, and similar expenses other than for commercial advertising purposes, such as advertisements of stock and bond issues, advertising for employees, and notices of dividends declared, shall be charged to the account appropriate for such costs.

NOTE B: The cost of flags, bunting, and similar expenses of decorating buildings shall be charged to account 9017, "House-service clearing account."

ITEMS

(See § 35.03–12)

Announcements of rate changes.
Commercial advertisements in newspapers and magazines.
Commercial advertising matter, such as posters, bulletins, booklets, and related items.
Electric current consumed in illuminating signs.
Exhibits in connection with industrial expositions, expenses of.
Expenses of canvassers, solicitors, and managers in charge of advertising and soliciting, and expenses of their office forces.
Lecture and demonstration tours for traffic-promotion purposes.
Public distribution of tariffs and notices of changes, expenses of.
Radio advertising programs.
Window displays.

§ 35.4231 *Messenger-uniform expense.* (a) This account shall include the amounts of expenses incurred in altering, repairing, cleaning, and pressing uniforms.

(b) This account shall include also the cost of uniforms purchased.

(c) Physical inventories of the uniforms in service (including surplus uniforms available for service) shall be taken each calendar year, and, if any such inventory exceeds $1,000, any adjustments to bring this account and account 65, "Messenger uniforms," into harmony with the results of such physical inventory, shall be made in accordance with the provisions of paragraphs (b) and (c) of § 35.65.

§ 35.4239 *Other messenger expense.* (a) This account shall include the amounts of expenses incurred in furnishing messenger service not provided for elsewhere.

(b) Expenses includible in this account include messenger carfare, and licenses and registration fees for bicycles and other vehicles used in messenger service.

§ 35.4240. *Operating power.* This account shall include the amounts of expenses incurred in supplying power for the operation of the wire-telegraph and ocean-cable plant. This includes the cost of power purchased, the cost of fuel and other supplies consumed, and other expenses incurred in the generation, conversion, and storage of current.

NOTE A: The cost of installation of permanent power circuits for emergency use shall be included in the appropriate plant account.

NOTE B: The expense of producing power for house-service purposes shall be included in account 9017, "House-service clearing account," or other appropriate account.

NOTE C: The compensation of employees engaged primarily in supplying operating power shall be included in account 4219, "Wages of other operating-office employees." (See paragraphs (b) and (c) of § 35.03–17.)

§ 35.4251 *House service; operating offices.* This account shall include the amounts of expenses incurred for house service of operating offices. (See the item list in § 35.9017.)

§ 35.4255 *Postage and stationery; operating offices.* This account shall include the amounts of expenses incurred for postage, message blanks, and other stationery for use in operating offices.

§ 35.4259 *Other supplies; operating offices.* This account shall include the amounts of expenses incurred for supplies used in operating offices not provided for elsewhere. (See particularly § 35.4255.)

§ 35.4261 *Rents for operating offices.* This account shall include the amounts of expenses incurred as rent for space used for operating offices.

NOTE: Repairs and taxes borne by the lessee under the terms of the lease should be charged to the appropriate maintenance and tax accounts. (See, e. g., accounts 4150, "Maintenance of real estate," and 4932, "Other taxes; operating.")

ITEMS

(See § 35.03–12)

Periodic rents (paid in cash).
Repairs (paid for lessor and deducted from cash payments of rent).
Taxes and fees (paid for lessor and deducted from cash payments of rent).

§ 35.4269 *Rents for other facilities.* This account shall include the amounts of expenses incurred as rents for the use of facilities other than space or leased plant comprising substantially complete operating systems or operating units held in exclusive possession by the carrier. It shall include rents for such facilities as ducts, conduits, material yards, poles, circuits, conductors, and transmitting and receiving equipment. (See also §§ 35.4261 and 35.5205.)

§ 35.4271 *Telephone company service.* (a) This account shall include the amounts of expenses incurred for services furnished by telephone companies.

(b) Charges to this account shall be subdivided as follows:

4271:91 Local service.
4271:92 Toll service.
4271:93 Billing and collection.
4271:99 Other telephone company service.
(See notes A and B.)

NOTE A: Rents for such facilities as ducts, conduits, material yards, poles, circuits, conductors, and transmitting and receiving equipment shall be included in account 4269, "Rents for other facilities."

NOTE B: Commissions for services rendered by telephone companies or others in originating and terminating messages shall be included in account 4273, "Terminal commission charges." (See particularly §§ 35.03–20 and 35.31–3.)

§ 35.4273 *Terminal commission charges.* (a) This account shall include the amounts of commissions paid to other communication carriers, transportation companies, hotels, service stations, or other persons not employees of the carrier, for services rendered in originating and terminating messages or for similar communication services rendered to the carrier. (See particularly § 35.03–20; also §§ 35.3350 and 35.4275.)

(b) The records supporting the entries in this account shall be so maintained that in reports to the Commission there may be shown the amounts paid to (1) telephone companies, (2) other communication companies, and (3) others.

§ 35.4275 *Terminal commissions; expense credit.* This account shall include the amounts of commissions received from other carriers for services rendered in originating or terminating messages, or for similar communication services involving the incidental use of the accounting carrier's employees and facilities. (See particularly §§ 35.03–20 and 35.3350.)

§ 35.4279 *Obtaining news (CND) services.* This account shall include the amounts of expenses incurred in gathering information relative to stock and other market quotations, transactions in securities, sporting news, election returns, marine reports, and similar items subsequently disseminated to subscribers as news services.

NOTE: The compensation of employees engaged primarily in obtaining news services shall be included in account 4219, "Wages of other operating-office employees." (See paragraphs (b) and (c) of § 35.03–17.)

§ 35.4281 *Traffic-damage awards.* (a) This account shall include the amounts of obligations incurred in the settlement of damages arising out of claims of delays and errors in service, including the amounts of revenues refunded in partial or complete settlement of such claims.

(b) The records supporting the entries in this account shall be so maintained as to show the amounts of settlements made during the accounting period with respect to delayed-delivery, nondelivery, error, and other causes, separately with respect to messages and to money orders.

(c) There shall be classed as delayed-delivery claims, those arising from delays in transmission or delivery; as nondelivery claims, those arising from failure to deliver; as error claims, those arising from error in transmission or delivery, except such as may be classified as delayed-delivery or nondelivery claims; and as other types of claims, those arising from causes not shown above, such as libel, fraud, and similar bases.

NOTE A: Expenses incident to traffic-damage claims shall be included in account 4285, "Traffic-damage expense."

NOTE B: The costs incurred on account of injuries to persons and damages to the property of others shall be included in account 4325, "Injuries and damages," or other appropriate account. (See particularly paragraph (c) (5) of § 35.1–3.)

§ 35.4285 *Traffic-damage expense.* This account shall include the amounts of expenses incurred in connection with closing claims for traffic damages, including court costs, the pay and expenses of witnesses other than employees, and the legal and other expenses incurred in connection with investigating, defending, or settling traffic-damage claims.

NOTE: The pay and expenses of officers and employees of the carrier shall be excluded from this account and included in account 4211, "Supervision of operations," account 4219, "Wages of other operating-office employees," account 4221, "Field-supervision expense," or other appropriate account.

§ 35.4291 *Rest and lunch rooms.* (a) This account shall include the amounts of net costs incurred in operating rest and lunch rooms for employees, including the costs of meals provided and the costs of operating such facilities as rest rooms, quiet rooms, reading rooms, medical rooms, locker rooms, check rooms, and sleeping rooms.

(b) At cable-relay points and other places where subsistence is furnished to employees, a separate subdivision of this account shall be maintained in which shall be included the compensation of farm laborers, mess attendants, and other persons engaged in furnishing subsistence to the carrier's employees.

(c) Amounts received by the carrier for meals and other services the expense of which is included in this account, shall be credited under a separate subdivision.

§ 35.4295 *Employment and training.* (a) This account shall include the cost of training new operators and other employees, either in school or otherwise, including the wages paid them for which no service is rendered, the salaries and expenses of instructors, and the cost of supplies furnished.

(b) This account shall include also the cost of advertising for employees and the office and other expenses of personnel officers and employees engaged in interviewing and hiring applicants.

§ 35.4299 *Other conducting-operations expenses.* This account shall include the amounts of expenses incurred in conducting operations not provided for elsewhere.

*General Expenses*

§ 35.4311 *Legal services.* This account shall include amounts payable to persons other than officers and employees of the carrier for legal services and related expenses not includible in other operating-expense accounts or in the plant accounts. (See particularly §§ 35.4285, 35.4315, 35.4323, and 35.4325; also paragraph (c) (13) of § 35.1–3.)

NOTE: The compensation and expenses of the legal staff of the carrier shall be included in account 4410, "Salaries of general officers and executives," accounts 4420 "Salaries of general office employees," account 4430, "Expenses of general officers and general office employees," or other appropriate account. (See also § 35.03–17.)

§ 35.4315 *General services, licenses, and royalties—Dr.* (a) This account shall include the amounts of expenses incurred for services received under a license agreement, a general service contract, or other arrangement providing for the furnishing of general management, supervision, purchasing, accounting, engineering, financial, legal, patent, or other general services.

(b) The records supporting the entries in this account shall be so maintained as to show the respective amounts paid to each furnisher of the service with respect to each class of service so furnished. If the costs incurred in the first instance by the person furnishing the service are apportioned to the several recipients thereof, the records of the carrier served shall indicate the aggregate cost to the furnishing person and the method of apportionment to the recipient carrier.

§ 35.4317 *General services, licenses, and royalties—Cr.* (a) This account shall be credited with amounts accruing (other than profits realized) from services rendered others under a license agreement, a general service contract, or other arrangement providing for the furnishing of general management, supervision, purchasing, accounting, engineering, financial, legal, patent, or other general services.

(b) Minor amounts of profits from such arrangements may be included in this account. (See also § 35.5020.)

§ 35.4321 *Insurance.* (a) This account shall include the net cost (i. e., the amounts of premiums less the amounts of dividends or refunds), not provided for elsewhere, of commercial insurance including insurance to protect the carrier against losses on account of injuries to or deaths of persons other than employees and damages to owned or leased property used in wire-telegraph and ocean-cable services.

(b) This account shall also include amounts representing the current charges for self-carried insurance that are credited to account 2215, "Provisions for self-carried insurance." (See particularly the text of that account.)

(c) There shall be included in this account special costs incurred in procuring insurance, such as brokerage fees, notarial fees, and insurance inspection service, and the compensation and the travel, office, and other expenses of officers and employees engaged primarily in insurance work.

(d) In addition to the subdivisions prescribed in paragraph (c) of § 35.41–4, this account shall be further subdivided as follows (using the indicated numerals as the second digit in combination with the appropriate first digit):

1 Property-insurance premiums.
2 Other insurance premiums.
3 Self-carried insurance.
9 Other insurance expense.

(e) Among the insurable risks, the amounts of insurance premiums for protection against which are chargeable to this account, when incurred in connection with the carrier's wire-telegraph and ocean-cable operations, are the following:

INSURABLE RISKS

(See § 35.03–12)

Boiler explosion.
Burglaries, holdups, check alterations, and forgeries.
Business interruption (i. e., use and occupancy insurance).
Damages to the property of others.
Defalcation of employees and agents.
Fire, flood, storm, and other casualties to operated plant.
Injuries to or deaths of persons other than employees.
Nonperformance of contractual obligations of others.

NOTE A: All losses sustained including those covered by commercial insurance or provisions for self-carried insurance shall be charged to the allowance-for-depreciation, construction, injuries-and-damages, or other appropriate account, according to the character of the loss. Recoveries from insurance companies or others shall be credited to the particular account or accounts in which the loss covered by the insurance is includible. (See also note B in § 35.2215.)

NOTE B: Premiums on life insurance and annuities of officers and employees shall be included in account 4327, "Relief and pensions," except that when the carrier is the beneficiary the cost of such insurance shall be charged to account 5299, "Other deductions from ordinary income," or, if the carrier so elects, the cash surrender value may be included in account 1799, "Other current assets," in which event the excess of cost of the insurance over such cash surrender value shall be charged to account 5299.

NOTE C: Premiums for reinsurance of self-carried insurance shall be charged to account 2215, "Provisions for self-carried insurance."

NOTE D: Employer's liability insurance shall be included in account 4323, "Workmen's compensation."

NOTE E: Insurance applicable to construction shall be included in account 1300, "Plant under construction."

§ 35.4323 *Workmen's compensation.* (a) This account shall include the net cost (i. e., the amounts of premiums less the amounts of dividends or refunds), not provided for elsewhere, of insurance required to provide for workmen's compensation or similar employee protection in connection with wire-telegraph and ocean-cable operations, whether such insurance is provided by means of pre-

miums payable to governmental agencies or commercial insurance companies.

(b) This account shall also include amounts, based upon reasonable estimates as to the requirements thereof, that are credited to an appropriate subaccount of account 2215, "Provisions for self-carried insurance," when, under statutes to which the carrier is subject, self-insurance of risks for workmen's compensation or for employees' liability is required or permitted.

(c) This account shall include also the amounts (not provided for elsewhere) of awards, not covered by insurance, made either voluntarily or by order of a court or other authority such as a workmen's-compensation board.

(d) There shall be included in this account (1) special costs incurred in procuring insurance for workmen's compensation, such as brokerage fees, notarial fees, and insurance inspection service, (2) fees of attorneys, investigators, and adjusters in connection with workmen's compensation, (3) court costs and similar items in connection with the settlement of claims for workmen's compensation, (4) costs of furnishing medical aid to injured employees, and (5) the compensation and the travel, office, and other expenses of officers and employees primarily engaged in or specifically assigned to work in connection with procuring insurance and settling claims for workmen's compensation.

(e) In addition to the subdivisions prescribed in paragraph (c) of § 35.41–4, this account shall be further subdivided as follows (using the indicated numerals as the second digit in combination with the appropriate first digit):

1 Payments to governmental authorities.
2 Premiums to commercial insurance companies.
3 Charges for self-carried insurance.
4 Awards where bond is posted or deposit is required by statutes.
5 Awards by court or other governmental authority where no bond or deposit is posted.
6 Awards voluntarily granted by the carrier.
9 Other workmen's-compensation expense.

NOTE A: All awards made including those covered by commercial insurance or provisions for self-carried insurance shall be charged to this account or to the allowance-for-depreciation, construction, or other appropriate account, according to the character of the loss. Recoveries, if any, from insurance companies or others made by the carrier rather than directly by the employee shall be credited to the particular account or accounts in which the amount of the award was included. (See also note B in § 35.2215.)

NOTE B: Workmen's-compensation insurance and awards shall be included in account 1300, "Plant under construction," when applicable to construction, and in account 1515, "Allowance for depreciation—Wire-telegraph and ocean-cable plant," when applicable to removal costs.

NOTE C: If under the terms of the carrier's benefit plan the amount of compensation in some instances exceeds the statutory requirements, and if the continuous current segregation of such excess into account 4327, "Relief and pensions," is impracticable, the entire amount paid may be charged to this account, provided that the carrier's records are so maintained as to permit the determination of the aggregate of such excess amounts.

§ 35.4325 *Injuries and damages.* (a) This account shall include the amounts of losses (not provided for elsewhere) which occur in connection with the carrier's wire-telegraph and ocean-cable operations, including injuries to or deaths of persons other than employees, damages to the property of others (whether occasioned by fire, flood, storm, or other cause), and penalties incurred for nonperformance of contractual obligations.

(b) When an admitted liability arises on account of injuries or damages, the excess of the loss (estimated if not known) over the amount insured (whether by commercial insurance or self-carried insurance) shall be charged to this account and credited to an appropriate subaccount of account 2299, "Other provisions for future settlements." When an estimated liability has been so charged to this account, subsequent adjustments between this account and account 2299 shall be made in accordance with the provisions of § 35.03–14.

(c) This account shall include also (1) the compensation and the travel, office, and other expenses of officers and employees primarily engaged in or specifically assigned to work in connection with the settlement of claims for injuries to persons other than employees and damages to the property of others, (2) fees of attorneys, investigators, and adjusters, and (3) court costs and similar items in connection with the settlement of claims.

(d) The amounts of injury and damage payments provided for by commercial insurance or by provisions for self-carried insurance shall be credited to this account and charged to the insurer or to account 2215, "Provisions for self-carried insurance," as appropriate.

NOTE A: There shall not be included in this account the amounts of premiums for insurance. (See § 35.4321.)

NOTE B: Costs applicable to workmen's compensation shall be included in account 4323, "Workmen's compensation."

NOTE C: Losses incurred on account of traffic damages shall be included in account 4281, "Traffic-damage awards," or account 4285, "Traffic-damage expense," as appropriate.

NOTE D: The cost of incidentally repairing property of others damaged in connection with maintenance or construction work shall be included in the cost of such work.

§ 35.4327 *Relief and pensions.* (a) This account shall include pensions or other benefits paid to active and retired employees, their representatives or beneficiaries, and salaries and expenses incurred in conducting relief, benefit, and general medical departments. It shall include payments to or on behalf of employees on account of injuries or accidental death when such payments come within the scope of a carrier's general provision for employees' benefits.

(b) If the carrier has definitely undertaken by contract to pay pensions to employees when regularly retired for superannuation or disability and has established a fund to be held in trust for such pension purposes, the carrier shall charge to this account monthly amounts determined through the application of equitable actuarial factors to the current pay rolls, which, together with interest accruals on the trust funds, will as nearly as may be, provide for the payment of such pensions, or for the purchase of annuities corresponding thereto. The amounts so charged shall be concurrently credited to a separate subaccount under account 2210, "Provisions for employees' pensions and welfare." The amounts accrued in each year shall correspond to the aggregate of the amounts expended directly by the carrier for pensions or annuities during the year and amounts paid into the trust fund. The carrier shall maintain a complete record of the actuarial computations through which the accrual each month of its pension liabilities is established.

(c) Upon the adoption of the accrual plan of accounting, pension payments to employees retired before the adoption of such plan shall be charged to an existing pension reserve or to account 6120, "Extraordinary current income charges." If a carrier pays into its pension trust fund the amount of its existing pension reserve, any such amounts in excess of provision for pensions granted prior to the adoption of the accrual plan may be applied in whole or in part to the adjustment of future accrual charges.

(d) Before adopting the accrual plan of accounting for pensions the carrier shall inform the Commission of the details of its pension plan giving full statement of the facts which in its judgment establish a contractual obligation for pension payments together with the actuarial formula under which it proposes to create its pension trust fund, and also a copy of the declaration of trust under which the fund is established. Each carrier that has adopted the accrual plan of accounting for pensions shall make no change in the accounting therefor or in the method of computing the amounts of the accruals recorded in the accounts under the plan without first submitting full particulars of the proposed changes and a detailed statement of the reasons therefor to the Commission for its consideration and approval.

(e) No charges to this account shall be made in anticipation of discretionary pension payments in the future.

(f) This account shall include also, under a separate subaccount, amounts accrued to provide for the payment of termination allowances or similar benefits to employees of the carrier when such employees are laid off because of lack of work, and to provide necessary and warranted relief to former employees. Charges to this subaccount shall be made only after approval by the Commission of the carrier's plan for administering payments for these purposes and of the amount of the accruals. Amounts charged to this subaccount shall be concurrently credited to account 2210, "Provisions for employees' pensions and welfare."

(g) There shall be credited to this account that portion of each class of relief and pensions assigned to construction and custom-work labor.

ITEMS

(See § 35.03–12)

Accident, sickness, death, and other disability benefits to employees, their representatives or beneficiaries.
Employees of relief, benefit, and general medical departments, pay and expenses of.
Expenses in connection with employees' disability cases, such as hospital, nursing, and medical attendance.
Fees and retainers for medical and similar services incurred by relief, benefit, and general medical departments.
House service.
Medical supplies.
Office supplies.
Postage, printing, and stationery.
Premiums paid for group insurance for the benefit of employees or their beneficiaries.
Repairs of furniture and equipment, and cost and repairs of individual items of small value or short life.
Travel expenses.

§ 35.4341 *Franchise requirements.* (a) This account shall include the amounts of payments to governmental authorities and the cost of materials, supplies, and services furnished such authorities without reimbursement in compliance with franchise, ordinance, or similar requirements, except that communication services so furnished may be included in this account at effective rates instead of cost.

(b) This account shall include the amounts of payments for franchises running for 1 year or less after acquisition, and may include direct charges for franchises acquired at small cost.

(c) This account shall have the following subdivisions: "Cash outlays" (for the inclusion of amounts subject to cash settlement), "Communication services—Dr." and "Communication services—Cr." (for the inclusion of charges and credits, respectively, representing the amounts of revenues that would be derived at the effective rates from wire-telegraph and ocean-cable services that are furnished without direct compensation), and "Other" (for the inclusion of items not otherwise provided for). Thus, in addition to the subdivisions prescribed in paragraph (c) of § 35.41–4, this account shall be further subdivided as follows (using the indicated numerals as the second digit in combination with the appropriate first digit):

1 Cash outlays.
2 Communication services—Dr.
3 Communication services—Cr.
9 Other.

NOTE A: The cost of plant, supplies, and similar items given as an initial consideration for a franchise running for more than 1 year shall be included in the plant accounts.

NOTE B: Franchise taxes paid annually or more frequently shall be included in account 4932, "Other taxes; operating."

NOTE C: The cost of operated plant furnished to a governmental agency without charge or used by the carrier in rendering services to a governmental agency without charge shall be included in the appropriate plant accounts, and the maintenance expenses incurred in connection with such operated plant shall be charged to the appropriate maintenance accounts.

NOTE D: The cost of reconstructing, or of changing the location of, operated plant to conform with governmental requirements, including such work required under the provisions of a franchise or ordinance, shall be charged to the maintenance-expense, operated plant, and allowance-for-depreciation accounts appropriate for the work performed.

§ 35.4399 *Other general expenses.* This account shall include the amounts of operating expenses not includible in other accounts.

ITEMS

(§ 35.03–12)

Commissions paid agents for leasing space to others in buildings partly occupied by the carrier in connection with its communication operations.
Conventions and meetings of the industry, contributions for.
Fees and expenses of directors.
Patents having an estimated service life of 1 year or less and patents acquired at small cost, amounts paid for.
Research and development work, not includible in other accounts, cost of. (See also § 35.03–10.)

*Administrative Expenses*

§ 35.4410 *Salaries of general officers and executives.* This account shall include the amounts of compensation of officers and executives of the carrier that are properly chargeable to wire-telegraph and ocean-cable operations and are not directly applicable to a particular function. (See also §§ 35.03–17 and 35.41–5.)

§ 35.4420 *Salaries of general office employees.* This account shall include the amounts of compensation of employees engaged in the general offices of the carrier that are properly chargeable to wire-telegraph and ocean-cable operations and are not directly applicable to a particular function. (See also §§ 35.03–17 and 35.41–5.)

§ 35.4430 *Expenses of general officers and general office employees.* This account shall include the amounts of expenses incurred for the benefit of the carrier in its wire-telegraph and ocean-cable operations by general officers and executives and general office employees whose compensation is includible in account 4410, "Salaries of general officers and executives," or account 4420, "Salaries of general office employees."

§ 35.4499 *Other administrative expenses.* (a) This account shall include the amounts of expenses incurred in carrying out administrative functions that are not provided for elsewhere.

(b) Among the items includible in this account are the costs of postage, stationery, and printing for use in general offices, repairs of office furniture, rents, and other analogous expenses of general offices.

CLEARING ACCOUNTS

INSTRUCTIONS

§ 35.90–1 *Purpose of clearing accounts.* The clearing accounts are provided primarily as a medium for the distribution of certain amounts that affect more than one account.

§ 35.90–2 *Disposition of balances in clearing accounts.* (a) The balances in the clearing accounts shall be distributed to the appropriate accounts not later than the end of the calendar year unless amounts included therein appropriately affect the accounting for future periods. Such distribution shall be made by (1) transferring to the appropriate accounts all items that are known to be applicable to each such account and (2) apportioning the remaining amounts among the several accounts on an equitable basis. The carrier shall be prepared to explain at any time, particularly in its annual reports to the Commission, the practices occasioning the carrying forward of balances in these accounts as at the end of any accounting period.

(b) The undistributed balances that appropriately affect the accounting for future periods shall be stated on the balance sheet under account 1940, "Debit balances in clearing accounts," or account 2320, "Credit balances in clearing accounts," as appropriate, except that any undistributed balance in account 9016, "Supply clearing account," shall be reported on the balance sheet under account 1795, "Material and supplies." (See particularly paragraph (f) of § 35.–1795.)

§ 35.90–3 *Subdivisions of clearing accounts.* Each clearing account that includes more than one of the following elements shall be subdivided as follows:

:1 Direct labor.
:2 Supervision and other overheads.
:3 Direct material (including supply expense).
:9 Other charges.

PRESCRIBED ACCOUNTS

NOTE: Number to the right of the decimal point is the account number.

§ 35.9011 *Research and development clearing account.* (a) This account shall include the costs incurred in the operation of laboratories and experimental stations for the development of equipment, systems, and methods for use by the carrier in wire-telegraph and ocean-cable services; including the pay and expenses of employees engaged in research and development, the cost of models, the allocable portion of expenses for supervision, clerical forces, materials, supplies, rents, and other expenses incurred in maintaining general laboratories for research and experimental work. (See also § 35.03–10.)

(b) Amounts included in this account applicable to projects that have been abandoned shall be cleared by credits hereto and, when borne by the carrier shall be charged to account 6120, "Extraordinary current income charges," unless otherwise authorized or directed by the Commission.

ITEMS

(See § 35.03–12)

Compensation and expenses of employees.
Depreciation.
Heat, light, and power.
Maintenance.
Material and supplies.
Rent.
Repairs.
Royalties.
Small tools.

§ 35.9012 *Vehicle clearing account.* This account shall include the net costs incurred in the operation of (1) vehicles and other transportation equipment the cost of which is includible in account 71,

"Vehicles," and (2) similar operated plant leased from others, including depreciation and maintenance and other expenses applicable to such equipment.

NOTE: Amounts received for the use of the carrier's vehicles while in the exclusive possession of others shall be credited to account 5010, "Income from operated plant leased to others," either directly or through this account.

§ 35.9013 *Shop clearing account.* This account shall include the costs incurred in the operation of the carrier's repair shops, and shops engaged in manufacturing or in reprocessing of material, including depreciation and maintenance and other expenses applicable to such shops.

ITEMS

(See § 35.03–12)

Compensation and expenses of shop employees.
Depreciation.
Heat, light, and power.
Maintenance.
Material and supplies.
Repairs, including the cost of repairing reusable material.
Rent.
Small tools.

§ 35.9014 *Tool and implement clearing account.* (a) This account shall include the costs incurred in the operation of (1) general tools and implements the cost of which is includible in account 74, "Tools and implements," and (2) similar operated plant leased from others, including depreciation and maintenance and other expenses applicable to such equipment.

(b) This account shall include also the cost of hand and other portable tools that have relatively small value or short life when properly includible in this account under the provisions of paragraph (d) of § 35.1–1.

ITEMS

(See § 35.03–12)

Depreciation.
Maintenance.
Material and supplies.
Rent.
Small tools.

§ 35.9015 *Plant - supervision clearing account.* This account shall be used when supervisory officers or employees of the carrier are regularly assigned to duties that involve construction, maintenance, and operation work or any combination of these types of work. When so used, this account shall be charged initially with the compensation and the office and other expenses of such officers and employees. (See particularly §§ 35.03–17 and 35.41–5.)

ITEMS

(See § 35.03–12)

Books and periodicals.
Compensation and expenses of plant-supervising officers and their staffs—including engineers, office and field forces charged with planning for and superintending maintenance, construction, and plant removal work.
Heat, light, and power for offices.
Postage, printing, and stationery.
Rent and repairs of offices.
Supplies.
Tools and instruments of small value or short life.

§ 35.9016 *Supply clearing account.* (a) This account shall include the costs incurred in connection with the purchase, storage, handling, and distribution of material and supplies.

(b) Amounts includible in this account include depreciation and maintenance on equipment the cost of which is includible in account 73, "Store and warehouse equipment," transportation charges on material purchased that are impracticable of association with the particular material to which they are related, and the cost of repairing reusable material when such cost cannot be associated with the particular material to which it is related. (See also paragraph (a) (6) of § 35.41–7.)

(c) This account shall be credited with the amounts of cash or other discounts on purchases when it is impracticable to associate such discounts with the particular material to which they relate.

(d) This account shall be cleared by adding to the cost of material and supplies a suitable loading charge that will equitably distribute the amounts contained herein.

NOTE: Transportation charges on material recovered from plant shall be charged to the account to which the cost of removal is charged.

ITEMS

(See § 35.03–12)

Books and periodicals.
Compensation and expenses of purchasing agents, superintendents and supervisors of supplies, managers of stores, storekeepers, clerks, and laborers.
Customs duties and excise taxes.
Depreciation and maintenance of storeroom equipment.
Insurance against losses and damages to material and supply stock. (See also §§ 35.1795 and 35.4321 and paragraph (c) (9) of § 35.1–3.)
Inventory differences in material and supplies that cannot be assigned to specific accounts. (See also paragraph (e) of § 35.1795.)
Losses due to breakage, leakage, evaporation, and fire and other casualties to supply stock not assigned to specific accounts or distributed through the pricing of material and supplies disbursed.
Postage, printing, and stationery.
Rent and repairs of storehouses, storerooms, storage yards, and other quarters.
Supplies used.
Transportation charges, undistributed.

§ 35.9017 *House-service clearing account.* This account shall include the costs incurred in the operation of buildings and space (whether owned or rented) occupied by offices.

ITEMS

(See § 35.03–12)

Cleaning supplies.
Compensation and expenses of building superintendents and others engaged in supervising house-service operations.
Elevator service.
Heat.
Janitor service.
Light.
Postage, printing, and stationery.
Power. (See also § 35.4240.)
Refrigeration.
Rent and repairs of quarters used in the supervision of general house-service operations other than space used by janitors and similar employees in furnishing house service for a particular building.
Supplies.

§ 35.9018 *Floating-equipment clearing account.* This account shall include the net costs incurred in the operation of (1) floating equipment the cost of which is includible in account 75, "Floating equipment," and (2) similar operated plant leased from others, including depreciation and maintenance and other expenses applicable to such equipment.

NOTE: Amounts received for the use of the carrier's floating equipment while in the exclusive possession of others shall be credited to account 5010, "Income from operated plant leased to others," either directly or through this account.

§ 35.9019 *Railway-equipment clearing account.* This account shall include the net costs incurred in the operation of (1) railway equipment the cost of which is includible in account 76, "Railway equipment," and (2) similar operated plant leased from others, including depreciation and maintenance and other expenses applicable to such equipment.

NOTE: Amounts received for the use of the carrier's railway equipment while in the exclusive possession of others shall be credited to account 5010, "Income from operated plant leased to others," either directly or through this account.

RETIREMENT UNITS

§ 35.1–6–1 *List of units to be used in connection with the accounting provided in § 35.1–6.* (a) The following list of retirement units shall not be considered as determining the classification of plant (see § 35.03–12) or as property units for use in continuous property-records (see § 35.1–8), but shall be used in connection with the accounting for operated plant retired (see § 35.1–6).

(b) Elimination of or substitution for retirement units listed herein may not be performed without specific authority by the Commission except that retirement units which are not combinations of the listed retirement units may be added without such authority and carriers may account for listed units as maintenance when of small cost and not complete units of operated plant.

(c) This list shall be expanded by the carrier to include complete units of operated plant not shown herein.

(d) The carrier shall report to the Commission, within 90 days after June 30 of each year, and as at that date, all additions which have been made to the list under this authority, all units included in the list which have become obsolete, either as to technical titles or as to use in communication service, and the units which the experience of the carrier has shown to involve a small cost only. These reports should include such other information concerning the list as the carrier may desire to place before the Commission with requests for appropriate action by the Commission in the matters described.

(e) The article "a," "an," or "the," as appropriate, should be read in connection with each retirement unit listed herein.

OUTSIDE PLANT

*Land Used for Right of Way (Account 11)*

Parcel—any size.

*Land Improvements (Account 14)*

Barrier or fence, snow—complete length of or section of.
Bench (park, tennis court, etc.).
Billboard or sign (isolated outdoor signs not associated with buildings or other structures).
Bridge or trestle, foot or road.
Court, tennis—complete.
Curbing—continuous length of 50 feet or more.
Fence or wall—continuous length of 50 feet or more.
Gate, ornamental.
Hedge—continuous length of 50 feet or more.
Lane or cleared area (forest fire protection)—parcel of any size.
Lawn—complete.
Lighting system, yard—complete; or
  Cable, buried—continuous length of 300 feet or more.
  Fixtures, light—all in one yard.
  Pole, post, or standard (with or without appurtenances).
Platform, loading (associated with a railroad spur or siding—not part of a building)—complete.
Pole, flag.
Pool, swimming (outdoor—not part of a building)—complete.
Roadway—continuous length of 50 feet or more.
Sidewalk—continuous length of 50 feet or more.
Spur or siding, railroad—complete.
Stand or pit (outdoor), car-washing or greasing.
Track, railroad—continuous length of 50 feet or more.
Trees, shrubbery, etc.—entire group in a specific area.

*Buildings (Account 15)*

Building—complete; or
  Boiler.
  Conveying system, coal or ash.
  Elevator—complete with operating mechanism.
  Equipment (items, such as the following, with or without associated wiring, control equipment, etc.):
    Compressor.
    Drum, elevator.
    Engine.
    Fan, ventilating.
    Generator.
    Motor.
    Pump.
    Turbine.
    Washer, air.
  Fire escape—complete.
  Floor covering for one room.
  Furnace.
  Gas burner system.
  Heater, hot-water.
  House lighting or power board.
  Oil burner system.
  Roof (with or without supporting members)—entire.

NOTE A: A building of irregular shape having more than one roof level may have several isolated roofs, each of which shall be considered an entire roof. In the case of buildings to which lateral extensions have been made, even though having but one roof level, that part of the roof covering an entire section built at one time shall be considered an entire roof.

  Stoker, autotmatic.
  Tank, oil.
  Window, metal—complete (i. e., box, frame, and sash).

NOTE B: In addition to the above units of property, material (i. e., portions of buildings, equipment, fixtures, etc.) installed and retired, and the labor and incidental costs involved in connection with work of the following character, shall be handled through the plant and depreciation allowance accounts:

(1) Changes in the type of operation of elevator systems, e. g., a change from manual to automatic control of cars, from manual to power operation of doors, from low speed to high speed, from direct to alternating current, from hydraulic to electric operation, from one type of signaling or dispatching system to another.

(2) Relocation of toilet rooms, battery rooms, kitchens, terminal rooms, machine rooms, transformer vaults, etc.

(3) Structural changes such as: (a) Reinforcements of floors, roofs, bearing walls, footings, and foundations; (b) additions or relocations of elevator shafts, stairways, fire exits, and vaults, but excluding switchboard cable holes and slots; and (c) building alterations required for fire protection and other safety measures.

(4) Changes in the type of electric current supply, or of ventilating, air conditioning, or similar systems.

(5) Building enlargements.

(6) Replacements of the following character—

(a) Replacements of plumbing or heating pipes (with or without associated valves) except when necessitated by minor repairs or minor relocations of fixtures.

(b) Replacements of all or substantially all the lighting fixtures (with or without associated wiring and conduit) in one operating or equipment room or, in the case of office space, on one floor of a building.

(c) General replacements (throughout a building or throughout an entire portion erected at one time) of items such as supply, return, or air valves in heating systems; hot or cold water valves or faucets; and plumbing, heating, or drainage traps.

*Poles (Account 21)*[1]

Cross arm (i. e. wooden cross arm, guard arm or cable cross arm, including extension arms), with or without associated braces and other hardware.
Fixture, special (i. e., a bridge fixture, a tower or other special river crossing or long-span fixture), with or without associated anchors, guys, etc.
Pole (i. e., line pole, brace pole, guy pole, or pole forming part of an A or H fixture), with or without associated anchors, guys, steps, etc.

*Aerial Wire (Account 22)*[1]

Antenna, with or without supports—complete.
Equipment such as loading coils, building-out condensers, carrier-line filters, or auto-transformers—case.
Underground dip cable, between poles and/or buildings—section of.
Wire (with or without associated steel pins, insulators, transposition brackets, etc.)—one mile or more of one bare wire, or one thousand (1,000) feet or more of one insulated wire.

[1] Ocean-cable carriers may, with respect to pole lines and cables located outside the continental United States, consider as retirement units (1) one entire land section of cable or one continuous mile thereof, whichever is less, and (2) one continuous mile of pole line with or without associated cable, wire, cross-arms, and fixtures.

RETIREMENT UNITS

*Aerial Cable (Account 23)*[1]
*Underground Cable (Account 24)*[1]
*Buried Cable (Account 25)*[1]
*Submarine Cable (Account 26)*[1]
*House Cable (Account 27)*[1]
*Ocean Cable (Account 31)*[1]

Span of cable, with or without associated suspension strand, clamps, rings, etc. (The term "a span" shall include a length of cable from a "Y" splice not located at a pole to a pole or building).
Section or run of cable, with or without associated elements and parts, as follows:

(1) Between a manhole, handhole, or service box and a pole, building, fence, wall, or the junction with house cable.

(2) Between manholes, handholes, or service boxes; or between an office cable vault and an office manhole.

(3) Between a cable vault or an office manhole and the junction with the main frame terminating cables.

(4) A section of buried cable 300 feet or more in length, or a section of buried cable between manholes, splicing boxes, or pedestals.

(5) All of a continuous run of one size of house cable. ("All of a continuous run of one size" means a section between splices other than straight splices).

(6) All of a continuous run of one size of block cable, i. e., cable attached to buildings, walls, or fences. ("All of a continuous run of one size" means a section between splices other than straight splices).

(7) All of a submarine cable for one crossing; or a section of submarine cable 300 feet or more in length.

(8) A section of underground dip cable between poles and/or buildings, or the appropriate units listed above.

(9) A section of ocean cable between two terminal points, or a section involved in rerouting such cable.

Any length of cable which is a continuation of a unit of cable and is replaced with such unit.
Any length of cable connected with but not a part of a terminal, or a case of equipment such as loading coils when replaced with the terminal or case of equipment.
Main frame terminating cables (generally silk and cotton insulated)—All the cables including forms used for terminating one outside cable. Anchorage, submarine cable.
Cross connecting frame, underground or buried cable.
Equipment such as loading coils, building-out condensers, carrier-line filters, or auto-transformers—case.
Frame, submarine or house cable terminating.
Fuse pot.
Hut or house, submarine cable.
Terminal (cable), protected or unprotected, with or without associated balcony, pole seat, pedestal, etc.—complete.
Terminal (pressure contactor), with or without contactor.

*Underground Conduit (Account 28)*

Conduit, section of—

(1) Between two manholes, handholes, or service boxes.

(2) Between a manhole, handhole, or service box and a pole or building.

(3) Between an office cable vault and an office manhole.

(4) Underground dips—between two poles; between a pole and a building; between two buildings; or units (1) and (2) above.

Manhole, handhole, or service box.

NOTE: When a manhole is reconstructed, i. e., enlarged or changed in design, the in-

vestment representing the portions of the manhole removed, whether or not replaced, shall be written off to the depreciation allowance account.

*Pneumatic Tubes (Account 29)*

Manhole or handhole.
Tubing, with or without protective covering, section of—

(1) Between two manholes or handholes.
(2) Between a manhole or handhole and a building or the junction with a house tube line.
(3) A section of buried tubing 300 feet or more in length.
(4) Any length of tubing that is a continuation of a unit of tubing and is replaced with such unit.

*Vehicles (Account 71)*

Each complete item of equipment (the original cost of which was charged to the plant account), such as—

Automobile, passenger.
Derrick, pole.
Earth boring machine.
Tractor.
Trailer.
Truck, with or without body.
Winch, power.

*Shop Equipment (Account 72)*

Each principal item of shop equipment, such as—

Air compressor.
Anvil.
Bench, work.
Blower.
Boiler, with or without piping or equipment.
Boring mill.
Box, bin, or rack.
Buffer.
Cabinet, storage.
Compressed air tool.
Convertor.
Crane.
Derrick.
Drill, power.
Engine.
Fire extinguisher.
Forge.
Generator.
Gas producer.
Grinder, power.
Hammer, power.
Hoist.
Ladder.
Lathe.
Loader, power.
Locker, storage.
Milling machine.
Motor (not part of another unit).
Planer.
Power board.
Pneumatic tool.
Press.
Pump.
Pump, gasoline.
Pump, oil.
Riveter.
Saw, power.
Scale.
Shelving, movable—section of.
Spray gun.
Stocks and dies—set of.
Table, repair or paint.
Testing set, non-portable.
Time clock.
Torch.
Transmission shaft, power, with or without pulleys.
Truck, hand.
Vise.
Winch.
Wire measuring machine.

*Store and Warehouse Equipment (Account 73)*

Each principal item of store and warehouse equipment, such as—

Barrow.
Bench, work.
Box, bin, or rack.
Cabinet, storage.
Cart.
Conveyor.
Counter.
Crane.
Hoist.
Ladder.
Pump.
Scale.
Shelving—section of.
Tank.
Tools and implements used in a storeroom (as listed under account 74)—unit of.
Truck, hand.
Wire measuring machine.

*Tools and Implements (Account 74)*

Each principal item of tools and implements, such as—

Air compressor, mobile.
Back filling machine.
Blower, power.
Concrete mixer.
Crane, mobile.
Derrick, mobile.
Drill or hammer, power.
Earth boring machine (not part of a truck or tractor).
Forge, portable.
Loader, power.
Vacuum cleaner, industrial type.
Wire measuring machine.

*Floating Equipment (Account 75)*

Each principal item of floating equipment, such as —

Anchor chain or cable.
Barge.
Boat, life.
Boiler.
Crane or winch (loading and lifting).
Engine.
Furnishings of one cabin or room.
Generator.
Hull.
Inside communication equipment installed on floating equipment—unit of.
Mast, with or without rigging.
Motor.
Rotor.
Ship, boat, launch, or other vessel, with or without associated equipment and appurtenances.
Shop equipment installed on floating equipment—unit of.
Store and warehouse equipment installed on floating equipment—unit of.
Superstructure—all constructed at one time.

*Railway Equipment (Account 76)*

Each principal item of railway equipment, such as—

Body or tank, car.
Car, hand.
Car, motor driven.
Car, push.
Car, railway, with or without associated equipment and appurtenances.
Inside communication equipment installed on a railway car—unit of.
Interior furnishings of an office, bunk, sleeping, kitchen, or dining car.
Shop equipment installed on a railway car—unit of.
Store and warehouse equipment installed on a railway car—unit of.
Trucks, car—set of.
Underframe, car.
Velocipede.

*Emergency Facilities (Account 77)*

Each principal item of emergency facilities, such as—

Cable, emergency—continuous length of 50 feet or more.
Engine generator set—complete; or
Engine.
Generator.
Transmission equipment, portable—all the equipment in one truck or trailer.

*Laboratory Equipment (Account 78)*

Each principal item or an important component unit of an assembly or installation.

By the Commission.

[SEAL] W. P. MASSING,
*Acting Secretary.*

[F. R. Doc. 47-3; Filed, Jan. 15, 1947; 8:46 a. m.]

# TITLE 36—PARKS AND FORESTS

## Chapter II—Forest Service, Department of Agriculture

### PART 201—NATIONAL FORESTS

JEFFERSON NATIONAL FOREST; TRANSFER OF JURISDICTION OF SURPLUS FOREST LANDS

CROSS REFERENCE: For transfer of lands from Federal Farm Mortgage Corporation to Forest Service see Surplus Property Transfer Order No. 2 of Federal Farm Mortgage Corporation in Notices section, *infra*.

# TITLE 43—PUBLIC LANDS: INTERIOR

## Chapter I—Bureau of Land Management, Department of the Interior

[Circular No. 1632]

### PART 196—PHOSPHATE LEASES

LEASES OR USE PERMITS FOR MINING OF PHOSPHATE

Departmental Order No. 1294 of July 2, 1938, carried in the 1943 Cumulative Supplement as a footnote to Part 196, is hereby revoked.

(Secs. 9–12, 41 Stat. 440, 441; 30 U. S. C. 211–214)

FRED W. JOHNSON,
*Acting Director.*

Approved: December 31, 1946.

J. A. KRUG,
*Secretary of the Interior.*

[F. R. Doc. 47-362; Filed, Jan. 15, 1947; 8:55 a. m.]

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[Circular No. 1631]

### PART 148—EXCHANGES FOR THE CONSOLIDATION OR EXTENSION OF NATIONAL FORESTS

APPROVAL OF INFORMAL APPLICATIONS

Section 148.4 is amended to read as follows:

§ 148.4 *Notice to county of informal application; procedure leading to approval.* As soon as a tentative agree-

ment has been reached between the applicant and the local national forest officer in proposed exchanges involving values in excess of $5,000 the Forest Service will cause a notice to be served either personally or by ordinary mail on the appropriate county officials of the county or counties in which the offered land and the selected land or timber are situated. The notice will give the location and area of the land offered in exchange as well as the amount of stumpage, if any, to be cut on the offered land by the applicant and the period allowed for the removal thereof. The notice will also give the location and either the acreage of the land selected or the total volume or value of timber to be cut in exchange for the offered land, together with the period in which such cutting rights are to be exercised. The county officials will be allowed 15 days from receipt of notice in which to file, in writing, with the regional forester any protests or objections to the proposed exchange. The case will then be submitted by the local national forest officer to the Regional Forester. Where the values are $5,000, or less, the foregoing notice will not be given, but the case will be submitted to the Regional Forester as soon as a tentative agreement has been reached. In either event, when approved by the Regional Forester, the case will be submitted to the Chief, Forest Service, Washington, D. C. If the Chief, Forest Service, finds the exchange to be in the public interests and that the selected land or timber does not exceed the offered land in value, he will so advise the Secretary of Agriculture, who, after consideration of the record, will advise the Secretary of the Interior whether the offered lands are chiefly valuable for national forest purposes, whether the appraised value of the land or timber selected does not exceed that of the land offered in exchange, whether any protests or objections have been filed by the county officials, and whether the proposed exchange meets with the approval of the Department of Agriculture. If a notice to the county is required under this section, the letter from the Secretary of Agriculture must be accompanied by a copy of the notice which was sent to the county officials, and by any showing made as a result of such notice. Upon receipt of the letter and accompanying papers, the Secretary of the Interior will consider both the recommendations and the protests or objections to the exchange, if any, and, unless he has reason to do otherwise, will approve the exchange, subject to the submission of acceptable title to the offered lands and to full compliance by the applicant with the regulations in §§ 148.1–148.19 (43 CFR, Cum. Supp.), and subject to any valid objections which may appear, and will notify protestants, if any, of such action. Such approval shall not preclude the consideration of additional showings made by the protesting county, or the filing of protests by others, in accordance with § 148.9. (R. S. 453, 2478; 42 Stat. 465, 43 Stat. 1090; 43 U. S. C. 2, 1201, 16 U. S. C. 485, 486)

FRED W. JOHNSON,
*Acting Director.*

Approved: August 19, 1946.

OSCAR L. CHAPMAN,
*Acting Secretary of the Interior.*

Approved: September 4, 1946.

CHARLES F. BRANNEN,
*Acting Secretary of Agriculture.*

[F. R. Doc. 47–358; Filed, Jan. 15, 1947; 8:55 a. m.]

# PROPOSED RULE MAKING

## FEDERAL COMMUNICATIONS COMMISSION

### [47 CFR, Ch. I]

FREQUENCY SERVICE-ALLOCATIONS TO NON-GOVERNMENT SERVICES IN 30–40 MC BAND

REVISED PROPOSAL WITH PROVISIONS FOR ORAL ARGUMENT

JANUARY 7, 1947.

This proposal when adopted in the form set forth herein or as modified as the result of oral argument which will be held on February 3, 1947, may affect some of the rules governing the following services or proposed services and will be effective only within the continental limits of the United States:

Fixed.
Provisional.
Experimental.
General highway mobile.
Maritime mobile.
Geophysical.
Forestry and conservation.
Special emergency (including highway maintenance).
Highway maintenance (shared with special emergency).
Remote pickup (relay broadcast).
Special.
Power, petroleum, etc.
Urban transit.
Fire.
Police.
Relay press.
Motion picture.
Aviation.

In its "Report of Allocations between 25,000 kilocycles and 30,000,000 kilocycles" dated May 25, 1945 (Docket 6651), the Commission indicated that:

> On the basis of an average channel width initially of 40 kc provisions will be made for the following services in the band 30 to 40 Mc:[1]
>
> | *Class of station* | *Number of channels* |
> |---|---|
> | Provisional and experimental | 2 |
> | General highway mobile[2] | 20 |
> | Maritime mobile and geophysical | 4 |
> | Forestry and conservation (6 shared with maritime mobile and 6 shared with urban transit) | 29 |
> | Special emergency (shared with highway maintenance) | 6 |
> | Power, petroleum, etc.[3] | 7 |
> | Urban transit, provisional and experimental | 5 |
> | Fire | 15 |
> | Police | 36 |
> | Low power provisional and experimental[4] | 2 |
>
> [1] In addition, 11 government channels are to be designated in this band.
>
> [2] May provide radio communication service to all types of mobile units such as marine, land vehicles, aircraft, etc. Pending final determination of the best method of operation of this service these channels will be assigned on an experimental basis—12 for development on a common carrier basis, 4 for trucks and 4 for buses, except in those cases where it is shown that a different distribution is more desirable.
>
> [3] Other industries requiring similar radio service.
>
> [4] Antenna input power limited to 5 watts peak.

There is at the present time an acute shortage of channels in the 30–40 Mc band. It is the Commission's belief that the use of narrower channel widths offers the only means of obtaining additional channels in this band. As a result of an Engineering Conference held in Washington, D. C., on December 2 and 3, 1946, a committee is to be set up by Panel 13 of the RTPB to study the feasibility of manufacturing on a commercial basis 20 kc channel width equipment which will meet the operational requirements of the various services as demonstrated by actual field tests. This committee will make a preliminary report to the Commission on or before August 1, 1947 and a final report on or before February 1, 1948. The Commission is deferring further consideration of this problem pending the receipt of data from this committee. If the Commission should find a change to a 20 kc channeling system necessary or desirable, that change will be announced by the Commission with ample opportunity for conversion by the services and with due allowances for equipment obsolescense problems. It is anticipated that at least one year will be required to complete a study of the 20 kc channeling problem. In the meantime frequencies will continue to be assigned on the 40 kc channeling basis.

Data furnished the Commission by industry representatives indicate in general that during the first three years of operation of mobile radio equipment, the major replacements consist of tubes; beginning with the fifth year of operation, components other than tubes require replacement; and beginning with the seventh year, the cost of maintenance of equipment is greater than the depreciation on new equipment; and further, that beginning with the fifth year, the service rendered from an operational standpoint begins to be unsatisfactory. This is an especially important consideration in the case of the safety and emergency services.

The present frequency assignments are interspersed; that is, in general, no one service is assigned two or more consecutive channels. A block system of service-allocations whereby each service is allocated its channels in one or two blocks of consecutive channels has been discussed by the Radio Technical Planning

Board but has heretofore been impracticable, according to that group, because certain government frequencies were interspersed in the non-government blocks. This situation has now been alleviated by a recent action of the Interdepartment Radio Advisory Committee. Ten additional channels now are available for allocation to the non-government services in the 30–40 Mc band, and there are no longer any single government channels in the non-government blocks of frequencies above 30.540 Mc. This now permits, for the first time, a technically sound service-allocation plan based on the block system.

There is shown below the total spectrum space between 30–40 Mc available to the non-government fixed and mobile service at the time of the Commission's "Report of Allocations between 25,000 Kilocycles and 30,000,000 Kilocycles," in May, 1945, and that now available as the result of these negotiations:

| *May 25, 1945* | *October 18, 1946* |
|---|---|
| 5,040 kc | 5,440 kc |

To permit maximum utilization of the readjusted spectrum space, the Commission in this proposal has provided the various services with blocks of frequencies. Those services for which duplex operation may prove to be justifiable have been provided two blocks of frequencies with appropriate frequency separation. All other services have in general been provided with but one block of frequencies, except in those cases where the over-all limits of the non-government blocks make this impracticable.

This proposal, as it is presented herein or as it may be modified as the result of the oral argument which will be held on February 3, 1947, will become effective on April 1, 1947. Representatives of the services operating in this band have expressed a desire to shift frequency as soon as possible and have indicated that three years should be sufficient to allow all users to change to a new allocations plan. Accordingly, all services for which channels have been provided in this band will be required to shift no later than July 1, 1950 to frequencies which are in accord with the final plan adopted by the Commission. A committee is to be set up by Panel 13, RTPB to study the problem of conversion from the present interspersed service-allocation plan to any block plan which may be adopted following the oral argument and advise the Commission of its findings on or before Aug. 1, 1947. The purpose of this study is to present recommendations for the transition in order that the conversion can be completed by no later than July 1, 1950 in an orderly and equitable manner. When all recommendations have been received and studied the Commission will implement a plan for transition to the new block service-allocations.

Licenses of stations operated in services for which no provisions have been made in this band will not be renewed after July 1, 1947, and it is expected that these stations will operate in accordance with current allocations for their services after that date. Remote pick-up broadcast stations currently licensed will be allowed to continue operations in this band for a reasonable period after allocations in the 25–30 Mc band have been made final in order to allow for conversion of equipment.

Oral argument on this proposal has been scheduled for February 3, 1947, at the Commission's offices, Washington, D. C. All interested parties desiring to appear at the oral argument should file with the Secretary on or before January 17, 1947, a brief outlining the statement to be presented. Fifteen copies of all such briefs should be filed in accordance with § 1.850 of the Commission's rules and regulations.

LIST OF ASSIGNMENTS BY FREQUENCY

| *Frequency assignments (Mc)* | *Service* |
|---|---|
| 30.56 Mc—Unassigned. | |
| 30.58, 30.62 | Provisional, experimental. |
| 30.66, 30.70, 30.74, 30.78, 30.82 | Provisional, experimental, urban transit. |
| 30.86, 30.90, 30.94, 30.98, 31.02, 31.06 | Urban transit, forestry-conservation. |
| 31.10, 31.14, 31.18, 31.22, 31.26, 31.30 | Maritime mobile, forestry-conservation. |
| 31.34, 31.38, 31.42, 31.46, 31.50, 31.54, 31.58, 31.62, 31.66, 31.70, 31.74, 31.78, 31.82, 31.86, 31.90, 31.94, 31.98. | Forestry-conservation. |
| 32.0–33.0 Mc—Government. | |
| 33.02, 33.06, 33.10 | Special emergency. |
| 33.14 | Low power provisional,[1] experimental. |
| 33.18, 33.22, 33.26, 33.30, 33.34, 33.38 | Power—petroleum, etc.[3] |
| 33.42, 33.46, 33.50, 33.54, 33.58, 33.62, 33.66, 33.70, 33.74, 33.78, 33.82, 33.86, 33.90, 33.94, 33.98. | Fire. |
| 34.0–35.0 Mc—Government. | |
| 35.02 | Low power provisional,[1] experimental. |
| 35.06, 35.10, 35.14, 35.18 | General highway mobile.[2] |
| 35.22, 35.26, 35.30, 35.34 | Maritime mobile—geophysical. |
| 35.38, 35.42, 35.46, 35.50, 35.54, 35.58, 35.62, 35.66, 35.70, 35.74, 35.78, 35.82, 35.86, 35.90, 35.94, 35.98. | General highway mobile.[2] |
| 36.0–37.0 Mc—Government. | |
| 37.02, 37.06, 37.10, 37.14, 37.18, 37.22, 37.26, 37.30, 37.34, 37.38, 37.42. | Police. |
| 37.46, 37.50, 37.54, 37.58, 37.62, 37.66, 37.70, 37.74, 37.78, 37.82, 37.86. | Power—petroleum, etc.[3] |
| 37.90, 37.94, 37.98 | Special emergency. |
| 38.0–39.0 Mc—Government. | |
| 39.02, 39.06, 39.10, 39.14, 39.18, 39.22, 39.26, 39.30, 39.34, 39.38, 39.42, 39.46, 39.50, 39.54, 39.58, 39.62, 39.66, 39.70, 39.74, 39.78, 39.82, 39.86, 39.90, 39.94, 39.98. | Police. |

[1] Antenna input power limited to 5 watts peak.

[2] May provide radio communication service to all types of mobile units such as marine, land vehicles, aircraft, etc. Pending final determination of the best method of operation of this service these channels will be assigned on an experimental basis—12 for development on a common carrier basis, 4 for trucks and 4 for buses, except in those cases where it is shown that a different distribution is more desirable.

[3] Other industries requiring similar radio service.

ASSIGNABLE FREQUENCIES BY SERVICES

*Low Power Provisional, Experimental—2 Channels*

33.14 Mc 35.02 Mc

*Provisional, Experimental—2 Channels*

30.58 Mc 30.62 Mc

*Provisional, Experimental, Urban Transit—5 Channels*

| Mc | Mc | Mc | Mc | Mc |
|---|---|---|---|---|
| 30.66 | 30.70 | 30.74 | 30.78 | 30.82 |

*Urban Transit, Forestry—Conservation—6 Channels*

| Mc | Mc | Mc | Mc | Mc | Mc |
|---|---|---|---|---|---|
| 30.86 | 30.90 | 30.94 | 30.98 | 31.02 | 31.06 |

*Forestry—Conservation—17 Channels*

| Mc | Mc | Mc | Mc | Mc | Mc |
|---|---|---|---|---|---|
| 31.34 | 31.38 | 31.42 | 31.46 | 31.50 | 31.54 |
| 31.58 | 31.62 | 31.66 | 31.70 | 31.74 | 31.78 |
| 31.82 | 31.86 | 31.90 | 31.94 | 31.98 | |

*Forestry—Conservation, Maritime Mobile—6 Channels*

| Mc | Mc | Mc | Mc | Mc | Mc |
|---|---|---|---|---|---|
| 31.10 | 31.14 | 31.18 | 31.22 | 31.26 | 31.30 |

*Special Emergency—6 Channels*

| Mc | Mc | Mc | Mc | Mc | Mc |
|---|---|---|---|---|---|
| 33.02 | 33.06 | 33.10 | 37.90 | 37.94 | 37.98 |

*Power—Petroleum, Etc.—17 Channels*

| Mc | Mc | Mc | Mc | Mc | Mc |
|---|---|---|---|---|---|
| 33.18 | 33.22 | 33.26 | 33.30 | 33.34 | 33.38 |
| 37.46 | 37.50 | 37.54 | 37.58 | 37.62 | 37.66 |
| 37.70 | 37.74 | 37.78 | 37.82 | 37.86 | |

*Fire—15 Channels*

| Mc | Mc | Mc | Mc | Mc |
|---|---|---|---|---|
| 33.42 | 33.46 | 33.50 | 33.54 | 33.58 |
| 33.62 | 33.66 | 33.70 | 33.74 | 33.78 |
| 33.82 | 33.86 | 33.90 | 33.94 | 33.98 |

*General Highway Mobile—20 Channels*

| Mc | Mc | Mc | Mc | Mc |
|---|---|---|---|---|
| 35.06 | 35.10 | 35.14 | 35.18 | 35.38 |
| 35.42 | 35.46 | 35.50 | 35.54 | 35.58 |
| 35.62 | 35.66 | 35.70 | 35.74 | 35.78 |
| 35.82 | 35.86 | 35.90 | 35.94 | 35.98 |

*Maritime Mobile, Geophysical—4 Channels*

| Mc | Mc | Mc | Mc |
|---|---|---|---|
| 35.22 | 35.26 | 35.30 | 35.34 |

*Police—36 Channels*

| Mc | Mc | Mc | Mc | Mc |
|---|---|---|---|---|
| 37.02 | 37.06 | 37.10 | 37.14 | 37.18 |
| 37.22 | 37.26 | 37.30 | 37.34 | 37.38 |
| 37.42 | 39.02 | 39.06 | 39.10 | 39.14 |
| 39.18 | 39.22 | 39.26 | 39.30 | 39.34 |
| 39.38 | 39.42 | 39.46 | 39.50 | 39.54 |
| 39.58 | 39.62 | 39.66 | 39.70 | 39.74 |
| 39.78 | 39.82 | 39.86 | 39.90 | 39.94 |
| 39.98 | | | | |

Adopted: January 7, 1947.

[SEAL] FEDERAL COMMUNICATIONS COMMISSION,
T. J. SLOWIE,
*Secretary.*

[F. R. Doc. 47–361; Filed, Jan. 15, 1947; 8:55 a. m.]

# NOTICES

## CIVIL AERONAUTICS BOARD

[Docket Nos. 2216 and 2277]

UNITED AIR LINES, INC.; DETROIT-NEW YORK, DETROIT-ALLENTOWN NONSTOPS

NOTICE OF ORAL ARGUMENT

In the matter of the applications of United Air Lines, Inc., for authority to inaugurate nonstop services between Detroit, Mich., and New York, N. Y., and between Detroit, Mich., and Allentown, Pa., under § 238.3 of the Economic Regulations of the Board.

Notice is hereby given, pursuant to the Civil Aeronautics Act of 1938, as amended, that oral argument in the above proceeding is assigned to be held on January 27, 1947, 10 a. m., eastern standard time, in Room 5042 Commerce Bldg., 14th Street and Constitution Ave. NW., Washington, D. C., before the Board.

Dated at Washington, D. C., January 13, 1947.

By the Civil Aeronautics Board.

[SEAL] M. C. MULLIGAN,
*Secretary.*

[F. R. Doc. 47-366; Filed, Jan. 15, 1947; 8:55 a. m.]

## FEDERAL COMMUNICATIONS COMMISSION

[Docket No. 6356]

HUGH FRANCIS MCKEE

ORDER DESIGNATING APPLICATION FOR CONSOLIDATED HEARING ON STATED ISSUES

In re application of Hugh Francis McKee, Portland, Oregon, for construction permit; Docket No. 6356, File No. B5-P-3225.

At a session of the Federal Communications Commission, held at its offices in Washington, D. C., on the 30th day of December 1946;

The Commission having under consideration the above-entitled application requesting a construction permit for a new standard broadcast station to operate on 1450 kc with 250 w power, at Portland, Oregon, sharing time with Station KBPS at Portland, Oregon;

*It is ordered*, That, pursuant to section 309 (a) of the Communications Act of 1934, as amended, the said application be, and it is hereby, designated for hearing at a time and place to be designated by subsequent order of the Commission, upon the following issues:

1. To determine the legal, technical, financial, and other qualifications of the applicant to construct and operate the proposed station.

2. To determine the type and character of program service proposed to be rendered and whether it would meet the requirements of the populations and areas proposed to be served.

3. To determine what division of operating hours between the instant applicant and Benson Polytechnic School, licensee of Station KBPS, would best serve the public interest, convenience and necessity.

*It is further ordered*, That Benson Polytechnic School, licensee of Station KBPS, be, and it is hereby, made a party to this proceeding.

By the Commission.

[SEAL] T. J. SLOWIE,
*Secretary.*

[F. R. Doc. 47-373; Filed, Jan. 15, 1947; 8:50 a. m.]

[Docket Nos. 6962-6964, 7154, 7155]

ELGIN BROADCASTING CO., ET AL.

ORDER SCHEDULING ORAL ARGUMENT

In re applications of George A. Ralston and Jerry C. Miller, d/b as The Elgin Broadcasting Company, Elgin, Illinois, Docket No. 6962, File No. B4-P-3833; Joseph Triner, et al d/b as Village Broadcasting Company, Oak Park, Illinois, Docket No. 6963, File No. B4-P-4075; Sidney H. Bliss tr/as Beloit Broadcasting Company, Beloit, Wisconsin, Docket No. 6964, File No. B4-P-4161; Vincent G. Cofey, Elgin, Illinois, Docket No. 7154, File No. B4-P-4381; Community Broadcasting Company, Oak Park, Illinois, Docket No. 7155, File No. B4-P-4382. For construction permits.

At a session of the Federal Communications Commission held at its offices in Washington, D. C., on the 2d day of January 1947;

The Commission having under consideration its proposed decision in the above-entitled matter; and

It appearing, that exceptions thereto and requests for oral argument have been filed;

*It is ordered*, That oral argument be held before the Commission en banc at 10:00 a. m., January 15, 1947, in the offices of the Commission at Washington, D. C.

[SEAL] FEDERAL COMMUNICATIONS COMMISSION,
T. J. SLOWIE,
*Secretary.*

[F. R. Doc. 47-374; Filed, Jan. 15, 1947; 8:50 a. m.]

[Docket Nos. 6940, 7599]

RADIO WISCONSIN, INC., AND EDWIN MEAD

ORDER SCHEDULING ORAL ARGUMENT

In re applications Radio Wisconsin, Inc., Madison, Wisconsin, Docket No. 6940, File No. B4-P-3809; Edwin Mead, Rockford, Illinois, Docket No. 7599, File No. B4-P-4729; for construction permits.

At a session of the Federal Communications Commission held at its offices in Washington, D. C., on the 2d day of January 1947;

The Commission having under consideration its proposed decision in the above-entitled matter; and

It appearing, that exceptions thereto and requests for oral argument have been filed;

*It is ordered*, That oral argument be held before the Commission en banc at 10:00 a. m., January 15, 1947, in the offices of the Commission at Washington, D. C.

[SEAL] FEDERAL COMMUNICATIONS COMMISSION,
T. J. SLOWIE,
*Secretary.*

[F. R. Doc. 47-375; Filed, Jan. 15, 1947; 8:50 a. m.]

[Docket Nos. 6940, 7599]

RADIO WISCONSIN, INC., AND EDWIN MEAD

ORDER DESIGNATING PETITON FOR ORAL ARGUMENT

In re applications of Radio Wisconsin, Inc., Madison, Wisconsin, Docket No. 6940, File No. B4-P-3809; Edwin Mead, Rockford, Illinois, Docket No. 7599, File No. B4-P-4729; for construction permit.

At a session of the Federal Communications Commission held at its offices in Washington, D. C., on the 2d day of January 1947;

The Commission having under consideration a petition filed December 5, 1946, by Radio Wisconsin, Inc., Madison, Wisconsin, for leave to amend its above-entitled application for construction permit (File No. B4-P-3809; Docket No. 6940), so as to specify 5 kw daytime power instead of 1 kw daytime power as presently requested in said application; and the opposition thereto filed December 11, 1946, by Edwin Mead, Rockford, Illinois; and

It appearing, that the above-entitled conflicting applications of Radio Wisconsin, Inc., Madison, Wisconsin, and Edwin Mead, Rockford, Illinois, each requests a construction permit for a new standard broadcast station at their respective cities, to be operated on 1480 kc, 1 kw power, unlimited time, with directional antenna; that said applications were designated for consolidated hearing on April 26, 1946; that, thereafter, pursuant to the Commission's public notice dated June 21, 1946 (now § 1.391 of the Commission's rules), the parties filed a waiver of right of hearing, and for determination of the applications upon the basis of the information submitted in the applications; that on October 30, 1946, the Commission adopted a proposed decision and order proposing to grant the above-entitled application of Edwin Mead, Rockford, Illinois, and to deny the above-entitled application of Radio Wisconsin, Inc., Madison, Wisconsin;

*It is ordered*, That said petition be and the same is hereby designated for oral argument to be held before the Commission en banc at 10:00 a. m. on January 15, 1947, in the offices of the Commission at Washington, D. C.

[SEAL] FEDERAL COMMUNICATIONS COMMISSION,
T. J. SLOWIE,
*Secretary.*

[F. R. Doc. 47-376; Filed, Jan. 15, 1947; 8:50 a. m.]

[Docket Nos. 6940, 7599, 6962-6964, 7154, 7155]

RADIO WISCONSIN, INC., ET AL.

ORDER DESIGNATING PETITION FOR ORAL AGRUMENT

In re application of Radio Wisconsin, Inc., Madison, Wisconsin, Docket No. 6940, File No. B4-P-3809; Edwin Mead, Rockford, Illinois, Docket No. 7599, File No. B4-P-4729; George A. Ralson & Jerry C. Miller, d/b as The Elgin Broadcasting Company, Elgin, Illinois, Docket No. 6962, File No. B4-P-3833; Joseph Triner et al. d/b as Village Broadcasting Company, Oak Park, Illinois, Docket No. 6963, File No. B4-P-4075; Sidney H. Bliss tr/as Beloit Broadcasting Company, Beloit, Wisconsin, Docket No. 6964, File No. B4-P-4161; Vincent G. Cofey, Elgin, Illinois, Docket No. 7154, File No. B4-P-4381; Community Broadcasting Company, Oak Park, Illinois, Docket No. 7155, File No. B4-P-4382; for construction permits.

At a session of the Federal Communications Commission held at its offices in Washington, D. C., on the 2d day of January 1947;

The Commission having under consideration a petition (filed November 20, 1946) by Radio Wisconsin, Inc., requesting the Commission to consolidate for oral argument and final decision the applications of Radio Wisconsin, Inc., Madison, Wisconsin, and Edwin Mead, Rockford, Illinois (Docket Nos. 6940 and 7599), and the applications of the Elgin Broadcasting Company, Elgin, Illinois, Village Broadcasting Company, Oak Park, Illinois, Beloit Broadcasting Company, Beloit, Wisconsin, Vincent G. Cofey, Elgin, Illinois, and Community Broadcasting Company, Oak Park, Illinois (Docket Nos. 6962, 6963, 6964, 7154, and 7155);

*It is ordered*, That said petition be, and the same is hereby designated for oral argument to be held before the Commission en banc at 10:00 a. m., January 15, 1947, in the offices of the Commission at Washington, D. C.

[SEAL] FEDERAL COMMUNICATIONS COMMISSION,
T. J. SLOWIE,
*Secretary.*

[F. R. Doc. 47-377; Filed, Jan. 15, 1947; 8:50 a. m.]

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[Docket Nos. 6940, 7599]

RADIO WISCONSIN, INC., AND EDWIN MEAD

ORDER DESIGNATING PETITION FOR ORAL ARGUMENT

In re applications of Radio Wisconsin, Inc., Madison, Wisconsin, Docket No. 6940, File No. B4-P-3809; Edwin Mead, Rockford, Illinois, Docket No. 7599, File No. B4-P-4729, for construction permits.

At a session of the Federal Communications Commission held at its offices in Washington, D. C., on the 2d day of January 1947;

The Commission having under consideration a petition (filed November 18, 1946) filed by Sidney H. Bliss, d/b as Beloit Broadcasting Company, Beloit, Wisconsin, for reconsideration of the Commission's Proposed Decision of October 30, 1946, in which the Commission proposed to grant the application of Edwin Mead, Rockford, Illinois (Docket No. 7599) and to deny the application of Radio Wisconsin, Inc. (Docket No. 6940);

*It is ordered*, That said petition be, and the same is hereby designated for oral argument to be held before the Commission en banc at 10:00 a. m., January 15, 1947, in the offices of the Commission at Washington, D. C.

[SEAL] FEDERAL COMMUNICATIONS COMMISSION,
T. J. SLOWIE,
*Secretary.*

[F. R. Doc. 47-378; Filed, Jan. 15, 1947; 8:50 a. m.]

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[Docket No. 7609]

RADIO PEORIA, INC.

ORDER AMENDING ISSUES

In re application of Radio Peoria, Inc., Peoria, Illinois, Docket No. 7609, File No. B4-P-4177, for construction permit.

At a session of the Federal Communications Commission, held at its offices in Washington, D. C., on the 19th day of December 1946;

The Commission having under consideration a petition filed by the applicant, Radio Peoria, Inc., on September 20, 1946, requesting that its above entitled application for a construction permit for a new standard broadcast station at Peoria, Illinois, to operate on the frequency 970 kc, with 1 kw power, using a directional antenna unlimited time, be reconsidered and granted without hearing, and also having under consideration answers to the said petition filed by the State of Wisconsin, University of Wisconsin, licensee of Station WHA, Madison, Wisconsin, an intervenor in the above entitled proceeding, and by WAVE, Inc., licensee of Station WAVE, Louisville, Kentucky, both protesting a grant of the said petition; and

It appearing, that both the said petition of Radio Peoria, Inc., and the answer of the intervenor, University of Wisconsin (WHA), allege that interference would result from the proposed operation of the petitioner within the 0.5 mv/m contour of Station WHA;

*It is ordered*, That the said petition be, and it is hereby, denied.

*It is further ordered*, On the Commission's own motion, that the order of the Commission dated May 24, 1946, designating the above-entitled application for hearing, be, and it is hereby, amended by deleting therefrom issues numbered 1 and 2.

*It is further ordered*, On the Commission's own motion, that WAVE, Inc., licensee of Station WAVE, Louisville, Kentucky, be, and it is hereby, made a party to this proceeding.

By the Commission.

[SEAL] T. J. SLOWIE,
*Secretary.*

[F. R. Doc. 47-379; Filed, Jan. 15, 1947; 8:50 a. m.]

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PETITION OF CLEAR CHANNEL GROUP FOR RECONSIDERATION OF THE COMMISSION'S POLICY WITH RESPECT TO LICENSING OF STATIONS ON CLEAR CHANNELS AND CHANNELS ADJACENT TO CLEAR CHANNELS

MEMORANDUM OPINION DENYING PETITION

This matter comes before the Commission on a petition filed by the Clear Channel Group on October 8, 1946, requesting the Commission to reconsider its policy with respect to the licensing of stations to operate on clear channels and on channels adjacent to clear channels.[1] Pursuant to this policy the Commission has dismissed all applications requesting permission to operate full time on any I-A channel or to operate on such channels with power in excess of 50 kilowatts. The Commission has also, pursuant to this policy, placed in the pending files all applications for daytime operation on a I-A channel where the proposed station is more than 750 miles from the dominant station using a non-directional antenna or is beyond the 0.5 millivolt per meter 50% skywave contour of the dominant Class I-A station using a directional antenna on the frequency requested. Application for daytime operation on I-A stations within a lesser distance and all other applications are considered by the Commission on their merits.

The petition points out that under the foregoing policy the Commission has granted numerous applications for daytime operation on I-A channels and for stations on channels adjacent to I-A and I-B frequencies and that there are many such applications still pending before the Commission. The petition further points out that the order in the clear channel hearing (Docket No. 6741) places in issue the possibility of a revision of the Commission's present rules limiting maximum power to 50 kilowatts. According to the petition the licensing of daytime stations on I-A channels or the licensing of stations on channels adjacent to clear channels may have the effect "of making more difficult the grant of increased power to clear channel stations."

The Commission is of the opinion that a grant of the instant petition would not be in the public interest. If the petition were granted, it would mean that no action could be taken on any application for operation on the frequencies 610 kc to 1590 kc since all of these frequencies are either I-A channels or are adjacent (within 30 kc) to I-A channels. The net result would be to preclude the Commission to a very large extent from exercising its licensing functions.

Nor is there any valid reason for withholding action on those applications requesting authority to operate on clear channels in accordance with the Commission's policy. These applications are consistent with the Commission's rules and regulations and fulfill a definite public need. Thus, a review of the Commission's records discloses that since Octo-

[1] On November 13, 1946, the Commission announced that it had denied the instant petition and that an opinion setting forth the Commission's reasons would be issued at a future date.

ber 8, 1945—the date on which the Commission resumed its normal licensing following the lifting of the wartime freeze—48 construction permits for new stations have been issued for daytime operation on I–A channels and 55 construction permits for new stations have been issued for operation on I–B channels, almost all of the latter being for daytime operation. Of these 103 construction permits which have been granted, more than half (53) have been in cities having no other standard broadcast station. With the difficulty of finding room in the standard broadcast band for additional stations, it is apparent that cities without any service or with inadequate service must rely to a very large extent on daytime stations which are licensed to operate on clear channels.

Moreover, a review of the applications for daytime operation on clear channels shows that many of these applicants are also desirous of entering FM broadcasting and are utilizing their daytime operation in helping them finance their operation during the transition period until FM becomes firmly established. In the Commission's opinion this assistance to the establishment of FM broadcasting is in the public interest and is an additional reason for denying the relief requested.

The denial of the petition of the Clear Channel Group will not, in the Commission's opinion, adversely affect the outcome of the clear channel hearing. The Commission has already announced that no applications will be accepted for nighttime operation on a I–A channel until after the conclusion of the clear channel hearing; hence there is no possibility of any I–A channel being duplicated nighttime before the clear channel hearing is concluded.

So far as the possibilities of higher power are concerned, the Commission's present policy will not operate as a bar if the Commission determines to amend its rules and allow higher power. Applications for stations on I–A channels more than 750 miles from the dominant stations are placed in the pending files in accordance with the Commission's policy. Applications for stations within 750 miles of the dominant I–A station must be designated for hearing if they involve interference to the normally protected contour of the I–A station. Hence, there is only a very limited area where daytime stations can be placed so far as I–A channels are concerned.

It is of course recognized that any increase in power of existing I-A stations or the relocation of such stations may result in interference to the normally protected contour of such stations from the new daytime stations, where none exists today. However, the same situation may arise with respect to existing stations. Problems of relocation are bound to be very difficult in any event. The addition of new stations may make it somewhat more difficult. However, when it is remembered that it will always be easier to find room for daytime stations than for fulltime stations, it should not by any means prove to be insuperable to find assignments for those daytime stations in existence at the conclusion of the clear channel hearing, if a reallocation proves to be necessary.

There remains the problem involved in possible skywave interference during the daytime. Under the present rules and regulations and Standards of Good Engineering Practice, no station is protected against skywave interference during the daytime. If the power of existing I-A stations is raised substantially, it may very well be that daytime skywave interference will become a problem that should be dealt with in the rules and regulations or Standards of Good Engineering Practice. However, it should be pointed out that this will be true for existing daytime stations as well as for new stations; the problem therefore is not created by the licensing of the new stations. Moreover, the clear channel hearing includes an issue concerning possible revision of the rules and regulations governing the hours of operation of daytime stations on clear channels. Under this issue all relevant evidence can be introduced by petitioner as well as other interested persons concerning daytime skywave interference and the desirability of revising Commission rules for operation of daytime stations. Any grants that are made to daytime stations are subject to whatever changes in the rules may be made as a result of the clear channel hearing.

For the foregoing reasons the petition of the Clear Channel Group is denied.

Adopted: January 2, 1947.

[SEAL] FEDERAL COMMUNICATIONS COMMISSION,
T. J. SLOWIE,
*Secretary.*

[F. R. Doc. 47–380; Filed, Jan. 15, 1947; 8:51 a. m.]

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[Docket No. 8026]

LAMAR A. NEWCOMB

ORDER DESIGNATING APPLICATION FOR CONSOLIDATED HEARING ON STATED ISSUES

In re application of Lamar A. Newcomb, Falls Church, Virginia, Docket No. 8026, File No. B2–P–5436, for construction permit.

At a session of the Federal Communications Commission, held at its offices in Washington, D. C., on the 19th day of December 1946;

The Commission having under consideration the above-entitled application requesting a construction permit for a new standard broadcast station to operate on 840 kc, with 250 w, power, daytime only, at Falls Church, Virginia;

*It is ordered,* That, pursuant to section 309 (a) of the Communications Act of 1934, as amended, the said application be, and it is hereby, designated for hearing in a consolidated proceeding with the application of Rock Creek Broadcasting Corporation (File No. B2–P–5482), requesting a construction permit for a new standard broadcast station to operate on 840 kc, with 10 kw power, daytime only, employing directional antenna, at Washington, D. C., at a time and place to be designated by subsequent order of the Commission, upon the following issues:

1. To determine the legal, technical, financial, and other qualifications of the applicant to construct and operate the proposed station.

2. To determine the areas and populations which may be expected to gain primary service from the operation of the proposed station and the character of other broadcast service available to those areas and populations.

3. To determine the type and character of program service proposed to be rendered and whether it would meet the requirements of the populations and areas proposed to be served.

4. To determine whether the operation of the proposed station would involve objectionable interference with any existing broadcast stations and, if so, the nature and extent thereof, the areas and populations affected thereby, and the availability of other broadcast service to such areas and populations.

5. To determine whether the operation of the proposed station would involve objectionable interference with the services proposed in the pending application of Rock Creek Broadcasting Corporation (File No. B2–P–5482) or in any other pending applications for broadcast facilities and, if so, the nature and extent thereof, the areas and populations affected thereby, and the availability of other broadcast service to such areas and populations.

6. To determine whether the installation and operation of the proposed station would be in compliance with the Commission's rules and Standards of Good Engineering Practice Concerning Standard Broadcast Stations.

7. To determine on a comparative basis which, if either, of the applications in this consolidated proceeding should be granted.

By the Commission.

[SEAL] T. J. SLOWIE,
*Secretary.*

[F. R. Doc. 47–381; Filed, Jan. 15, 1947; 8:51 a. m.]

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[Docket No. 8028]

ROBERT E. LIVERANCE

ORDER DESIGNATING APPLICATION FOR CONSOLIDATED HEARING ON STATED ISSUES

In re application of Robert E. Liverance, Gaffney, South Carolina, Docket No. 8028, File No. B3–P–5264, for construction permit.

At a session of the Federal Communications Commission, held at its offices in Washington, D. C., on the 19th day of December 1946;

The Commission having under consideration the above-entitled application requesting a construction permit for a new standard broadcast station to operate on 1170 kc, with 250 w power, daytime only, at Gaffney, South Carolina;

*It is ordered,* That, pursuant to section 309 (a) of the Communications Act of 1934, as amended, the said application be, and it is hereby, designated for hearing in a consolidated proceeding with the application of Mid-Carolina Broad-

casting Company (File No. B3–P–5322), requesting a construction permit for a new standard broadcast station to operate on 1170 kc, with 1 kw power, daytime only, at Salisbury, North Carolina, at a time and place to be designated by subsequent order of the Commission, upon the following issues:

1. To determine the legal, technical, financial, and other qualifications of the applicant to construct and operate the proposed station.

2. To determine the areas and populations which may be expected to gain primary service from the operation of the proposed station and the character of other broadcast service available to those areas and populations.

3. To determine the type and character of program service proposed to be rendered and whether it would meet the requirements of the populations and areas proposed to be served.

4. To determine whether the operation of the proposed station would involve objectionable interference with any existing broadcast stations and, if so, the nature and extent thereof, the areas and populations affected thereby, and the availability of other broadcast service to such areas and populations.

5. To determine whether the operation of the proposed station would involve objectionable interference with the services proposed in the pending application of Mid-Carolina Broadcasting Company (File No. B3–P–5322) or in any other pending applications for broadcast facilities and, if so, the nature and extent thereof, the areas and populations affected thereby, and the availability of other broadcast service to such areas and populations.

6. To determine whether the installation and operation of the proposed station would be in compliance with the Commission's rules and Standards of Good Engineering Practice Concerning Standard Broadcast Stations.

7. To determine on a comparative basis which, if either, of the applications in this consolidated proceeding should be granted.

By the Commission.

[SEAL] T. J. SLOWIE, *Secretary.*

[F. R. Doc. 47–382; Filed, Jan. 15, 1947; 8:51 a. m.]

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[Docket No. 8027]

ROCK CREEK BROADCASTING CORP.

ORDER DESIGNATING APPLICATION FOR CONSOLIDATED HEARING ON STATED ISSUES

In re application of Rock Creek Broadcasting Corporation, Washington, D. C., Docket No. 8027, File No. B2–P–5482, for construction permit.

At a session of the Federal Communications Commission, held at its offices in Washington, D. C., on the 19th day of December 1946;

The Commission having under consideration the above-entitled application requesting a construction permit for a new standard broadcast station to operate on 840 kc, with 10 kw power, daytime only, employing directional antenna, at Washington, D. C.;

*It is ordered,* That, pursuant to section 309 (a) of the Communications Act of 1934, as amended, the said application be, and it is hereby, designated for hearing in a consolidated proceeding with the application of Lamar A. Newcomb (File No. B2–P–5436) requesting a construction permit for a new standard station to operate on 840 kc, with 250 w power, daytime only, at Falls Church, Va., at a time and place to be designated by subsequent order of the Commission upon the following issues:

1. To determine the legal, technical, financial, and other qualifications of the applicant corporation, its officers, directors and stockholders to construct and operate the proposed station.

2. To determine the areas and populations which may be expected to gain primary service from the operation of the proposed station and the character of other broadcast service available to those areas and populations.

3. To determine the type and character of program service proposed to be rendered and whether it would meet the requirements of the populations and areas proposed to be served.

4. To determine whether the operation of the proposed station would involve objectionable interference with any existing broadcast stations and, if so, the nature and extent thereof, the areas and populations affected thereby, and the availability of other broadcast service to such areas and populations.

5. To determine whether the operation of the proposed station would involve objectionable interference with the services proposed in the pending application of Lamar A. Newcomb (File No. B2–P–5436) or in any other pending applications for broadcast facilities and, if so, the nature and extent thereof, the areas and populations affected thereby, and the availability of other broadcast service to such areas and populations.

6. To determine whether the installation and operation of the proposed station would be in compliance with the Commission's rules and Standards of Good Engineering Practice Concerning Standard Broadcast Stations.

7. To determine on a comparative basis which, if either, of the applications in this consolidated proceeding should be granted.

By the Commission.

[SEAL] T. J. SLOWIE, *Secretary.*

[F. R. Doc. 47–383; Filed, Jan. 15, 1947; 8:51 a. m.]

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[Docket No. 8033]

ORAL J. WILKINSON

ORDER DESIGNATING APPLICATION FOR CONSOLIDATED HEARING ON STATED ISSUES

In re application of Oral J. Wilkinson, Murray, Utah, Docket No. 8033, File No. B5–P–5392, for construction permit.

At a session of the Federal Communications Commission, held at its offices in Washington, D. C., on the 19th day of December 1946;

The Commission having under consideration the above-entitled application requesting a construction permit for a new standard broadcast station to operate on 1230 kc, with 250 w power, unlimited time, at Murray, Utah;

*It is ordered,* That, pursuant to section 309 (a) of the Communications Act of 1934, as amended, the said application be, and it is hereby, designated for hearing in a consolidated proceeding with the application of G. Stanley Brewer d/b as Weber County Service Company (File No. B5–P–5462), requesting a construction permit for a new standard broadcast station to operate on 1240 kc, with 250 w power, unlimited time, at Ogden, Utah, at a time and place to be designated by subsequent order of the Commission, upon the following issues:

1. To determine the legal, technical, financial, and other qualifications of the applicant to construct and operate the proposed station.

2. To determine the areas and populations which may be expected to gain or lose primary service from the operation of the proposed station and the character of other broadcast service available to those areas and populations.

3. To determine the type and character of program service proposed to be rendered and whether it would meet the requirements of the populations and areas proposed to be served.

4. To determine whether the operation of the proposed station would involve objectionable interference with stations KOVO, Provo, Utah, and KVNU, Logan, Utah, or with any other existing broadcast stations and, if so, the nature and extent thereof, the areas and populations affected thereby, and the availability of other broadcast service to such areas and populations.

5. To determine whether the operation of the proposed station would involve objectionable interference with the services proposed in the pending application of G. Stanley Brewer d/b as Weber County Service Company (File No. B5–P–5462) or in any other pending applications for broadcast facilities and, if so, the nature and extent thereof, the areas and populations affected thereby and the availability of other broadcast service to such areas and populations.

6. To determine whether the installation and operation of the proposed station would be in compliance with the Commission's rules and Standards of Good Engineering Practice Concerning Standard Broadcast Stations.

7. To determine on a comparative basis which, if either, of the applications in this consolidated proceeding should be granted.

*It is further ordered,* That KOVO Broadcasting Company, licensee of Station KOVO, Provo, Utah, and Cache Valley Broadcasting Company, licensee of Station KVNU, Logan, Utah, be, and they are hereby, made parties to this proceeding.

By the Commission.

[SEAL] T. J. SLOWIE, *Secretary.*

[F. R. Doc. 47–384; Filed, Jan. 15, 1947; 8:51 a. m.[

[Docket No. 8024]

RADIO BROADCASTING CORP. (KTFI)

ORDER DESIGNATING APPLICATION FOR CONSOLIDATED HEARING ON STATED ISSUES

In re application of Radio Broadcasting Corporation (KTFI), Twin Falls, Idaho, Docket No. 8024, File No. B5–P–5458; for construction permit.

At a session of the Federal Communications Commission, held at its offices in Washington, D. C., on the 19th day of December 1946;

The Commission having under consideration the above-entitled application requesting a construction permit to change the broadcast facilities of station KTFI at Twin Falls, Idaho, from 1270 kc, with 1 kw, 5 kw-LS power, unlimited time, to 1270 kc, with 5 kw power, unlimited time, employing directional antenna at night;

*It is ordered*, That, pursuant to section 309 (a) of the Communications Act of 1934, as amended, the said application be, and it is hereby, designated for hearing in a consolidated proceeding with the application of Radio Television Corporation (File No. B5–P–4716; Docket No. 7753) requesting a construction permit for a new standard broadcast station to operate on 1270 kc, with 5 kw power, unlimited time, employing directional antenna at night, at Medford, Oregon at a time and place to be designated by subsequent order of the Commission, upon the following issues:

1. To determine the technical, financial, and other qualifications of the applicant corporation, its officers, directors and stockholders to construct and operate station KTFI as proposed.

2. To determine the areas and populations which may be expected to gain or lose primary service from the operation of station KTFI as proposed and the character of other broadcast service available to those areas and populations.

3. To determine the type and character of program service proposed to be rendered and whether it would meet the requirements of the populations and areas proposed to be served.

4. To determine whether the operation of station KTFI as proposed would involve objectionable interference with any other existing broadcast stations and, if so, the nature and extent thereof, the areas and populations affected thereby, and the availability of other broadcast service to such areas and populations.

5. To determine whether the operation of station KTFI as proposed would involve objectionable interference with the services proposed in the pending application of Radio Television Corporation (File No. B5–P–4716; Docket No. 7753) or in any other pending applications for broadcast facilities and, if so, the nature and extent thereof, the areas and populations affected thereby, and the availability of other broadcast service to such areas and populations.

6. To determine whether the installation and operation of station KTFI as proposed would be in compliance with the Commission's rules and Standards of Good Engineering Practice Concerning Standard Broadcast Stations.

7. To determine on a comparative basis which, if either, of the applications in this consolidated proceeding should be granted.

By the Commission.

[SEAL] T. J. SLOWIE, *Secretary.*

[F. R. Doc. 47–389; Filed, Jan. 15, 1947; 8:52 a. m.]

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[Docket No. 8029]

MID-CAROLINA BROADCASTING CO.

ORDER DESIGNATING APPLICATION FOR CONSOLIDATED HEARING ON STATED ISSUES

In re application of Mid-Carolina Broadcasting Company, Salisbury, North Carolina, Docket No. 8029, File No. B3–P–5322, for construction permit.

At a session of the Federal Communications Commission, held at its offices in Washington, D. C., on the 19th day of December 1946;

The Commission having under consideration the above-entitled application requesting a construction permit for a new standard broadcast station to operate on 1170 kc, with 1 kw power, daytime only, at Salisbury, North Carolina;

*It is ordered*, That, pursuant to section 309 (a) of the Communications Act of 1934, as amended, the said application be, and it is hereby, designated for hearing in a consolidated proceeding with the application of Robert E. Liverance (File No. B3–P–5264), requesting a construction permit for a new standard broadcast station to operate on 1170 kc, with 250 w power, daytime only, at Gaffney, South Carolina, at a time and place to be designated by subsequent order of the Commission, upon the following issues:

1. To determine the legal, technical, financial, and other qualifications of the applicant corporation, its officers, directors and stockholders to construct and operate the proposed station.

2. To determine the areas and populations which may be expected to gain primary service from the operation of the proposed station and the character of other broadcast service available to those areas and populations.

3. To determine the type and character of program service proposed to be rendered and whether it would meet the requirements of the populations and areas proposed to be served.

4. To determine whether the operation of the proposed station would involve objectionable interference with any existing broadcast stations and, if so, the nature and extent thereof, the areas and populations affected thereby, and the availability of other broadcast service to such areas and populations.

5. To determine whether the operation of the proposed station would involve objectionable interference with the services proposed in the pending applications of Robert E. Liverance (File No. B3–P–5264), or in any other pending applications for broadcast facilities and, if so, the nature and extent thereof, the areas and populations affected thereby, and the availability of other broadcast service to such areas and populations.

6. To determine whether the installation and operation of the proposed station would be in compliance with the Commission's rules and Standards of Good Engineering Practice Concerning Standard Broadcast Stations.

7. To determine on a comparative basis which, if either, of the applications in this consolidated proceeding should be granted.

By the Commission.

[SEAL] T. J. SLOWIE, *Secretary.*

[F. R. Doc. 47–385; Filed, Jan. 15, 1947; 8:51 a. m.]

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[Docket No. 8034]

WEBER COUNTY SERVICE CO.

ORDER DESIGNATING APPLICATION FOR CONSOLIDATED HEARING ON STATED ISSUES

In re application of G. Stanley Brewer d/b as Weber County Service Company, Ogden, Utah, Docket No. 8034, File No. B5–P–5462, for construction permit.

At a session of the Federal Communications Commission, held at its offices in Washington, D. C., on the 19th day of December 1946;

The Commission having under consideration the above-entitled application requesting a construction permit for a new standard station to operate on 1240 kc, with 250 w power, unlimited time, at Ogden, Utah;

*It is ordered*, That, pursuant to section 309 (a) of the Communications Act of 1934, as amended, the said application be, and it is hereby, designated for hearing in a consolidated proceeding with the application of Oral J. Wilkinson (File No. B5–P–5392), requesting a construction permit for a new standard broadcast station to operate on 1230 kc, with 250 w power, unlimited time, at Murray, Utah, at a time and place to be designated by subsequent order of the Commission, upon the following issues:

1. To determine the legal, technical, financial, and other qualifications of the applicant to construct and operate the proposed station.

2. To determine the areas and populations which may be expected to gain or lose primary service from the operation of the proposed station and the character of other broadcast service available to those areas and populations.

3. To determine the type and character of program service proposed to be rendered and whether it would meet the requirements of the populations and areas proposed to be served.

4. To determine whether the operation of the proposed station would involve objectionable interference with station KOVO, Provo, Utah, or with any other existing broadcast stations and, if so, the nature and extent thereof, the areas and populations affected thereby, and the availability of other broadcast service to such areas and populations.

5. To determine whether the operation of the proposed station would involve objectionable interference with the services

proposed in the pending application of Oral J. Wilkinson (File No. B5–P–5392) or in any other pending applications for broadcast facilities and, if so, the nature and extent thereof, the areas and populations affected thereby, and the availability of other broadcast service to such areas and populations.

6. To determine whether the installation and operation of the proposed station would be in compliance with the Commission's rules and Standards of Good Engineering Practice Concerning Standard Broadcast Stations.

7. To determine on a comparative basis which, if either, of the applications in this consolidated proceeding should be granted.

*It is further ordered,* That, KOVO Broadcasting Company, licensee of Station KOVO, Provo, Utah, be, and it is hereby, made a party to the proceeding.

By the Commission.

[SEAL] T. J. SLOWIE, *Secretary.*

[F. R. Doc. 47–386; Filed, Jan. 15, 1947; 8:52 a. m.]

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[Docket No. 8025]

SEMINOLE BROADCASTING CO.

ORDER DESIGNATING APPLICATION FOR CONSOLIDATED HEARING ON STATED ISSUES

In re application of Louis F. Leurig and F. F. McNaughton, a partnership, d/b as Seminole Broadcasting Co., Wewoka, Oklahoma, Docket No. 8025, File No. B3–P–5270, for construction permit.

At a session of the Federal Communications Commission, held at its offices in Washington, D. C., on the 19th day of December 1946;

The Commission having under consideration the above-entitled application requesting a construction permit for a new standard broadcast station to operate on 1490 kc, with 250 w power, unlimited time, at Wewoka, Oklahoma;

*It is ordered,* That, pursuant to section 309 (a) of the Communications Act of 1934, as amended, the said application be, and it is hereby, designated for hearing at a time and place to be designated by subsequent order of the Commission, upon the following issues:

1. To determine the legal, technical, financial, and other qualifications of the applicant partnership and the partners to construct and operate the proposed station.

2. To determine the areas and populations which may be expected to gain or lose primary service from the operation of the proposed station and the character of other broadcast service available to those areas and populations.

3. To determine the type and character of program service proposed to be rendered and whether it would meet the requirements of the populations and areas proposed to be served.

4. To determine whether the operation of the proposed station would involve objectionable interference with station KBIX, Muskogee, Oklahoma, or with any other existing broadcast stations and, if so, the nature and extent thereof, the areas and populations affected thereby, and the availability of other broadcast service to such areas and populations.

5. To determine whether the operation of the proposed station would involve objectionable interference with the services proposed in any other pending applications for broadcast facilities and, if so, the nature and extent thereof, the areas and populations affected thereby, and the availability of other broadcast service to such areas and populations.

6. To determine whether the installation and operation of the proposed station would be in compliance with the Commission's rules and Standards of Good Engineering Practice Concerning Standard Broadcast Stations.

*It is further ordered,* That the Oklahoma Press Publishing Co., licensee of Station KBIX, Muskogee, Oklahoma, be, and it is hereby, made a party to this proceeding.

By the Commission.

[SEAL] T. J. SLOWIE, *Secretary.*

[F. R. Doc. 47–387; Filed, Jan. 15, 1947; 8:52 a. m.]

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[Docket No. 7709]

MAHONING VALLEY BROADCASTING CORP.

ORDER DESIGNATING APPLICATION FOR CONSOLIDATED HEARING ON STATED ISSUES

In re application of Mahoning Valley Broadcasting Corporation, Youngstown, Ohio, Docket No. 7709, File No. B5–P–5057; for construction permit.

At a session of the Federal Communications Commission, held at its offices in Washington, D. C., on the 19th day of December 1946;

The Commission having under consideration the above-entitled application requesting a construction permit for a new standard broadcast station to operate on 1240 kc, with 250 w power, unlimited time, at Youngstown, Ohio;

*It is ordered,* That, pursuant to section 309 (a) of the Communications Act of 1934, as amended, the said application be, and it is hereby, designated for hearing at a time and place to be designated by subsequent order of the Commission, upon the following issues:

1. To determine the legal, technical, financial, and other qualifications of the applicant corporation, its officers, directors and stockholders to construct and operate the proposed station.

2. To determine the areas and populations which may be expected to gain or lose primary service from the operation of the proposed station and the character of other broadcast service available to those areas and populations.

3. To determine the type and character of program service proposed to be rendered and whether it would meet the requirements of the populations and areas proposed to be served.

4. To determine whether the operation of the proposed station would involve objectionable interference with stations WHIZ, Zanesville, Ohio, WCAE, Pittsburgh, Pennsylvania, WGAR, Cleveland, Ohio, WJTN, Jamestown, New York, or with any other existing broadcast stations and, if so, the nature and extent thereof, the areas and populations affected thereby, and the availability of other broadcast service to such areas and populations.

5. To determine whether the operation of the proposed station would involve objectionable interference with the services proposed in the pending applications of Frank R. Smith, Jr., (File No. B2–P–5428, Docket No. 7981), The WGAR Broadcasting Company (File No. B2–P–3942, Docket No. 7320), Eagle Printing Company, Inc., (File No. B2–P–4800, Docket No. 7672), or in any other pending applications for broadcast facilities and, if so, the nature and extent thereof, the areas and populations affected thereby, and the availability of other broadcast service to such areas and populations.

6. To determine whether the installation and operation of the proposed station would be in compliance with the Commission's rules and Standards of Good Engineering Practice Concerning Standard Broadcast Stations.

By the Commission.

[SEAL] T. J. SLOWIE, *Secretary.*

[F. R. Doc. 47–388; Filed, Jan. 15, 1947; 8:52 a. m.]

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[Docket No. 7753]

RADIO TELEVISION CORP.

ORDER DESIGNATING APPLICATION FOR CONSOLIDATED HEARING ON STATED ISSUES

In re application of Radio Television Corporation, Medford, Oregon, Docket No. 7753, File No. B5–P–4716; for construction permit.

At a session of the Federal Communications Commission, held at its offices in Washington, D. C., on the 19th day of December 1946;

The Commission having under consideration the above-entitled application requesting a construction permit for a new standard broadcast station to operate on 1270 kc, with 5 kw power, unlimited time, employing directional antenna at night, at Medford, Oregon:

*It is ordered,* That, pursuant to section 309 (a) of the Communications Act of 1934, as amended, the said application be, and it is hereby, designated for hearing in a consolidated proceeding with the application of Radio Broadcasting Corporation (KTFI) (File No. B5–P–5458), requesting a construction permit to change the broadcast facilities of Station KTFI at Twin Falls, Idaho, from 1270 kc, with 1 kw/5 kw–LS power, unlimited time, to 1270 kc, with 5 kw power, unlimited time, employing directional antenna at night, at a time and place to be designated by subsequent order of the Commission, upon the following issues:

1. To determine the legal, technical, financial, and other qualifications of the applicant corporation, its officers, directors and stockholders to construct and operate the proposed station.

2. To determine the areas and populations which may be expected to gain primary service from the operation of the proposed station and the character of other broadcast service available to those areas and populations.

3. To determine the type and character of program service proposed to be rendered and whether it would meet the requirements of the populations and areas proposed to be served.

4. To determine whether the operation of the proposed station would involve objectionable interference with any existing broadcast stations and, if so, the nature and extent thereof, the areas and populations affected thereby, and the availability of other broadcast service to such areas and populations.

5. To determine whether the operation of the proposed station would involve objectionable interference with the services proposed in the pending application of Radio Broadcasting Corporation (KTFI) (File No. B5–P–5458) or in any other pending applications for broadcast facilities and, if so, the nature and extent thereof, the areas and populations affected thereby, and the availability of other broadcast service to such areas and populations.

6. To determine whether the installation and operation of the proposed station would be in compliance with the Commission's rules and Standards of Good Engineering Practice Concerning Standard Broadcast Stations.

7. To determine on a comparative basis which, if either, of the applications in this consolidated proceeding should be granted.

By the Commission.

[SEAL] T. J. SLOWIE, *Secretary.*

[F. R. Doc. 47–391; Filed, Jan. 15, 1947; 8:52 a. m.]

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[Docket Nos. 6222, 7185, 7292, 7456, 7533, 8000–8002, 8016]

INTERSTATE BROADCASTING CO., INC., ET AL.

ORDER DESIGNATING APPLICATION FOR CONSOLIDATED HEARING ON STATED ISSUES

In re applications of Interstate Broadcasting Company, Inc. (WQXR), New York, N. Y., Docket No. 8002, File No. B1–P–4506; Washita Valley Broadcasting Corporation (KWCO), Chickasha, Oklahoma, Docket No. 8000, File Nos. B3–P–4373, B3–MP–1919, B3–L–2129; El Paso Broadcasting Company (New), El Paso, Texas, Docket No. 7533, File No. B3–P–4634; Lake Broadcasting Company, Inc. (New), Gary, Indiana, Docket No. 7185, File No. B4–P–4341; New Laurel Radio Station, Inc. (WAML), Laurel, Mississippi, Docket No. 7292, File No. B3–P–4369; Kaw Broadcasting, Inc. (New), Topeka, Kansas, Docket No. 7456, File No. B4–P–3989; Unity Corporation, Inc. (WTOD), Toledo, Ohio, Docket No. 8001, File No. B4–P–5071; Pioneer Mercantile Company (KPMC), Bakersfield, California, Docket No. 6222, File Nos. B5–P–3118, B5–P–4868; Nonpareil Broadcasting Company, Council Bluffs, Iowa, Docket No. 8016, File No. B4–P–5153; for construction permits.

At a session of the Federal Communications Commission, held at its offices in Washington, D. C., on the 19th day of December 1946;

The Commission having under consideration the above-entitled application of Nonpareil Broadcasting Company for a construction permit for a new standard broadcast station to operate on the frequency 1560 kc with 1 kw power, daytime only, at Council Bluffs, Iowa; and

It appearing, that the Commission on December 5, 1946, designated for hearing in a consolidated proceeding the other above entitled applications, all requesting unlimited time operation on the frequency 1560 kc; and

It further appearing, that the said application of Nonpareil Broadcasting Company involves daytime interference with at least one of the other said applications; namely, that of KAW Broadcasting, Inc., requesting 1 kw power, unlimited time, at Topeka, Kansas;

*It is ordered*, That, pursuant to section 309 (a) of the Communications Act of 1934, as amended, the said application of Nonpareil Broadcasting Company be, and it is hereby, designated for hearing in the above mentioned consolidated proceeding at a time and place to be designated by subsequent order of the Commission, upon the following issues:

1. To determine the legal, technical, financial, and other qualifications of the applicant corporation, its officers, directors and stockholders to construct and operate the proposed station.

2. To determine the areas and populations which may be expected to gain or lose primary service from the operation of the proposed station and the character of other broadcast service available to those areas and populations.

3. To determine the type and character of program service proposed to be rendered and whether it would meet the requirements of the populations and areas proposed to be served.

4. To determine whether the operation of the proposed station would involve objectionable interference with any existing broadcast stations and, if so, the nature and extent thereof, the areas and populations affected thereby, and the availability of other broadcast service to such areas and populations.

5. To determine whether the operation of the proposed station would involve objectionable interference with the services proposed in the above entitled application of KAW Broadcasting, Inc., or in any other pending applications for broadcast facilities and, if so, the nature and extent thereof, the areas and populations affected thereby, and the availability of other broadcast service to such areas and populations.

6. To determine whether the installation and operation of the proposed station would be in compliance with the Commission's rules and Standards of Good Engineering Practice Concerning Standard Broadcast Stations.

7. To determine the overlap, if any, that will exist between the service areas of the proposed station and of station KMMJ at Grand Island, Nebraska, the nature and extent thereof, and whether such overlap, if any, is in contravention of § 3.35 of the Commission's rules.

8. To determine which, if any, of the applications in this consolidated proceeding should be granted.

*It is further ordered*, That the aforesaid order of the Commission, dated December 5, 1946, designating the said unlimited time applications for hearing, be, and it is hereby, amended to include the said application of Nonpareil Broadcasting Company and that so much of paragraph 3 of the said order of December 5, 1946, as reads "section 307 (d) of the Communications Act, as amended" be, and it is hereby, amended to read "section 307 (b) of the Communications Act of 1934, as amended".

By the Commission.

[SEAL] T. J. SLOWIE, *Secretary.*

[F. R. Doc. 47–393; Filed, Jan. 15, 1947; 8:53 a. m.]

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[Docket No. 7157]

ARKANSAS VALLEY BROADCASTING CO.

ORDER DESIGNATING APPLICATION FOR CONSOLIDATED HEARING ON STATED ISSUES

In re application of Arkansas Valley Broadcasting Company, Fort Smith, Arkansas, Docket No. 7157, File No. B3–P–4200; for construction permit.

At a session of the Federal Communications Commission, held at its offices in Washington, D. C., on the 19th day of December 1946;

The Commission having under consideration the above-entitled application for a construction permit for a new standard broadcast station to operate on the frequency 1270 kc, with 1 kw power, using directional antenna, unlimited time, at Fort Smith, Arkansas;

*It is ordered*, That, pursuant to section 309 (a) of the Communications Act of 1934, as amended, the said application be, and it is hereby, designated for hearing, at a time and place to be designated by subsequent order of the Commission, upon the following issues:

1. To determine the legal, technical, financial, and other qualifications of the applicant corporation, its officers, directors and stockholders, to construct and operate the proposed station.

2. To determine the areas and populations which may be expected to gain or lose primary service from the operation of the proposed station and the character of other broadcast service available to those areas and populations.

3. To determine the type and character of program service proposed to be rendered and whether it would meet the requirements of the populations and areas proposed to be served.

4. To determine whether the operation of the proposed station would involve objectionable interference with Stations KTFI, Twin Falls, Idaho, and KGCU, Mandan, North Dakota, or with any other existing broadcast stations and, if so, the nature and extent thereof, the areas

and populations affected thereby, and the availability of other broadcast service to such areas and populations.

5. To determine whether the operation of the proposed station would involve objectionable interference with the services proposed in the pending application of Big Sioux Broadcasting Company (File No. B4–P–4734), requesting 1270 kc, with 1 kw power, unlimited time, using directional antenna at night, at Sioux Falls, South Dakota, or in any other pending applications for broadcast facilities and, if so, the nature and extent thereof, the areas and populations affected thereby, and the availability of other broadcast service to such areas and populations.

6. To determine whether the installation and operation of the proposed station would be in compliance with the Commission's rules and Standards of Good Engineering Practice Concerning Standard Broadcast Stations.

*It is further ordered,* That Radio Broadcasting Corporation, licensee of Station KTFI, Twin Falls, Idaho, and Mandan Radio Association, licensee of Station KGCU, Mandan, North Dakota, be, and they are hereby, made parties to this proceeding.

By the Commission.

[SEAL] T. J. SLOWIE, *Secretary.*

[F. R. Doc. 47–394; Filed, Jan. 15, 1947; 8:53 a. m.]

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[Docket Nos. 7770, 8010]

SNOWY RANGE BROADCASTING CO., AND VOICE OF WYOMING., INC.

ORDER DESIGNATING APPLICATION FOR CONSOLIDATED HEARING ON STATED CASES

In re applications of Carroll S. Mohr, Fred O. Rice, Douglas D. Kahle, and George D. Humphrey, d/b as Snowy Range Broadcasting Company, Laramie, Wyoming, Docket No. 7770, File No. B5–P–5001; Voice of Wyoming, Inc., Laramie, Wyoming, Docket No. 8010, File No. B5–P–5532; for construction permits.

At a session of the Federal Communications Commission, held at its offices in Washington, D. C., on the 19th day of December 1946;

The Commission having under consideration the above-entitled applications for construction permits for new standard broadcast stations to operate on 1340 kc, with 250 w power, unlimited time, at Laramie, Wyoming;

It appearing, that on December 16, 1946 the Voice of Wyoming, Inc., submitted to the Commission its above-entitled application; and

It further appearing, that on December 17, 1946 the Commission granted without hearing the above-entitled application of Carroll S. Mohr, Fred O. Rice, Douglas D. Kahle and George D. Humphrey, d/b as Snowy Range Broadcasting Company;

*It is ordered,* That the action of the Commission on December 17, 1946; granting without hearing the said application of Carroll S. Mohr, Fred O. Rice, Douglas D. Kahle and George D. Humphrey, d/b as Snowy Range Broadcasting Company, be, and it is hereby, set aside; and

*It is further ordered,* That, pursuant to section 309 (a) of the Communications Act of 1934, as amended, the said applications be, and they are hereby, designated for hearing in a consolidated proceeding at a time and place to be designated by subsequent order of the Commission, upon the following issues;

1. To determine the legal, technical, financial and other qualifications of the applicant partnership and the partners, and of the applicant corporation, its officers, directors and stockholders, to construct and operate the respective proposed stations.

2. To determine the areas and populations which may be expected to gain primary service from the operation of the proposed stations and the character of other broadcast service available to those areas and populations.

3. To determine the type and character of the program service proposed to be rendered and whether they would meet the requirements of the populations and areas proposed to be served.

4. To determine whether the operation of the proposed stations would involve objectionable interference with any existing broadcast stations and, if so, the nature and extent thereof, the areas and populations affected thereby, and the availability of other broadcast service to such areas and populations.

5. To determine whether the operation of the stations proposed in the applications in this consolidated proceeding would involve objectionable interference with the proposed services of each other or with the service proposed in any other pending applications for broadcast facilities and, if so, the nature and extent thereof, the areas and populations affected thereby, and the availability of other broadcast service to such areas and populations.

6. To determine whether the installation and operation of the proposed stations would be in compliance with the Commission's rules and Standards of Good Engineering Practice Concerning Standard Broadcast Stations.

7. To determine on a comparative basis which, if either, of the applications in this consolidated proceeding should be granted.

By the Commission.

[SEAL] T. J. SLOWIE, *Secretary.*

[F. R. Doc. 47–392; Filed, Jan. 15, 1947; 8:53 a. m.]

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[Docket Nos. 7979, 7980]

CENTRAL MICHIGAN RADIO CORP. AND FARMERS' CHEMICAL CO.

ORDER DESIGNATING APPLICATION FOR CONSOLIDATED HEARING ON STATED ISSUES

In re applications of Central Michigan Radio Corporation, Lansing, Michigan, Docket No. 7979, File No. B2–P–4920; Farmers' Chemical Company, Kalamazoo, Michigan, Docket No. 7980, File No. B2–P–5111; for construction permits.

At a session of the Federal Communications Commission, held at its offices in Washington, D. C., on the 19th day of December 1946;

The Commission having under consideration the above-entitled applications requesting construction permits for new standard broadcast stations to operate on 1320 kc, with 1 kw power, unlimited time, employing directional antenna at night, at the respective locations indicated above;

*It is ordered,* That, pursuant to section 309 (a) of the Communications Act of 1934, as amended, the said applications be, and they are hereby, designated for hearing in a consolidated proceeding at a time and place to be designated by subsequent order of the Commission, each upon the following issues:

1. To determine the legal, technical, financial, and other qualifications of the applicant corporation, its officers, directors and stockholders to construct and operate the proposed station.

2. To determine the areas and populations which may be expected to gain or lose primary service from the operation of the proposed station and the character of other broadcast service available to those areas and populations.

3. To determine the type and character of program service proposed to be rendered and whether it would meet the requirements of the populations and areas proposed to be served.

4. To determine whether the operation of the proposed station would involve objectionable interference with station WOOD, Grand Rapids, Michigan, or with any other existing broadcast stations and, if so, the nature and extent thereof, the areas and populations affected thereby, and the availability of other broadcast service to such areas and populations.

5. To determine whether the operation of the proposed station would involve objectionable interference with the services proposed in the other pending application in this consolidated proceeding or in any other pending applications for broadcast facilities and, if so, the nature and extent thereof, the areas and populations affected thereby, and the availability of other broadcast service to such areas and populations.

6. To determine whether the installation and operation of the proposed station would be in compliance with the Commission's rules and Standards of Good Engineering Practice Concerning Standard Broadcast Stations.

7. To determine on a comparative basis which, if either of the applications in this consolidated proceeding should be granted.

and, in the application of Central Michigan Radio Corporation (File No. B2–P–4920) upon the following additional issue:

8. To determine the overlap, if any, that will exist between the service areas of the proposed station at Lansing, Michigan, and of Station WELL at Battle Creek, Michigan, the nature and extent thereof, and whether such overlap, if any, is in contravention of § 3.35 of the Commission's rules.

*It is further ordered*, That Liberty Broadcasting, Inc., licensee of Station WOOD, Grand Rapids, Michigan, be, and it is hereby, made a party to the proceeding.

By the Commission.

[SEAL] T. J. SLOWIE, *Secretary.*

[F. R. Doc. 47-396; Filed, Jan. 15, 1947; 8:53 a. m.]

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[Docket No. 7371]

CAPITAL BROADCASTING CO.

ORDER DESIGNATING APPLICATION FOR CONSOLIDATED HEARING ON STATED ISSUES

In re application of The Capital Broadcasting Company, Annapolis, Maryland, Docket No. 7371, File No. B1-P-4318; for construction permit.

At a session of the Federal Communications Commission, held at its offices in Washington, D. C., on the 19th day of December 1946;

The Commission having under consideration the above-entitled application requesting a construction permit for a new standard broadcast station to operate on 1430 kc, with 500 w power, Unlimited time, using directional antenna at night, at Annapolis, Maryland;

*It is ordered*, That, pursuant to section 309(a) of the Communications Act of 1934, as amended, the said application of The Capital Broadcasting Company (File No. B1-P-4318) be, and it is hereby, designated for hearing at a time and place to be designated by subsequent order of the Commission, upon the following issues:

1. To determine the legal, technical, financial, and other qualifications of the applicant corporation, its officers, directors and stockholders to construct and operate the proposed station.

2. To determine the areas and populations which may be expected to gain or lose primary service from the operation of the proposed station and the character of other broadcast service available to those areas and populations.

3. To determine the type and character of program service proposed to be rendered and whether it would meet the requirements of the populations and areas proposed to be served.

4. To determine whether the operation of the proposed station would involve objectionable interference with Station WIRE, Indianapolis, Indiana, WBYN, Brooklyn, New York, or with any other existing broadcast stations and, if so, the nature and extent thereof, the areas and populations affected thereby, and the availability of other broadcast service to such areas and populations.

5. To determine whether the operation of the proposed station would involve objectionable interference with the services proposed in any pending applications for broadcast facilities and, if so, the nature and extent thereof, the areas and populations affected thereby, and the availability of other broadcast service to such areas and populations.

6. To determine whether the installation and operation of the proposed station would be in compliance with the Commission's rules and Standards of Good Engineering Practice Concerning Standard Broadcast Stations.

7. To determine the overlap, if any, that will exist between the service areas of the proposed station and of station WBOC at Salisbury, Maryland and station WCAO at Baltimore, Maryland, the nature and extent thereof, and whether such overlap, if any, is in contravention of § 3.35 of the Commission's rules.

By the Commission.

[SEAL] T. J. SLOWIE, *Secretary.*

[F. R. Doc. 47-395; Filed, Jan. 15, 1947; 8:53 a. m.]

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[Docket No. 8039]

COASTAL BROADCASTING CO.

ORDER DESIGNATING APPLICATION FOR CONSOLIDATED HEARING ON STATED ISSUES

In re application of The Coastal Broadcasting Company, Lakeland, Florida, Docket No. 8039, File No. B3-P-5256; for construction permit.

At a session of the Federal Communications Commission, held at its offices in Washington, D. C., on the 26th day of December 1946;

The Commission having under consideration the above-entitled application requesting a construction permit for a new standard broadcast station to operate on 1400 kc, with 250 watts power, unlimited time, at Lakeland, Florida;

*It is ordered*, That, pursuant to section 309 (a) of the Communications Act of 1934, as amended, the said application be, and it is hereby, designated for hearing, at a time and place to be designated by subsequent order of the Commission, upon the following issues:

1. To determine the legal, technical, financial, and other qualifications of the applicant corporation, its officers, directors and stockholders, to construct and operate the proposed station.

2. To determine the areas and populations which may be expected to gain primary service from the operation of the proposed station and the character of other broadcast service available to those areas and populations.

3. To determine the type and character of program service proposed to be rendered and whether it would meet the requirements of the populations and areas proposed to be served.

4. To determine whether the operation of the proposed station would involve objectionable interference with any existing broadcast stations and, if so, the nature and extent thereof, the areas and populations affected thereby, and the availability of other broadcast service to such areas and populations.

5. To determine whether the operation of the proposed station would involve objectionable interference with the services proposed in the pending application of James S. Rivers, d/b as Southeastern Broadcasting System (File No. B3-P-4225, Docket No. 7074), or in any other pending applications for broadcast facilities, and, if so, the nature and extent thereof, the areas and populations affected thereby, and the availability of other broadcast service to such areas and populations.

6. To determine whether the operation of the proposed station would involve cross modulation with the service proposed in the pending application of S. O. Ward, trading as Radio Station WLAK (File No. B3-P-4307, Docket No. 7082), and, if so, the nature and extent thereof, and the areas and populations affected thereby.

7. To determine whether the installation and operation of the proposed station would be in compliance with the Commission's rules and Standards of Good Engineering Practice Concerning Standard Broadcast Stations.

By the Commission.

[SEAL] T. J. SLOWIE, *Secretary.*

[F. R. Doc. 47-397; Filed, Jan. 15, 1947; 8:53 a. m.]

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[Docket No. 8019]

KITSAP G. I. BROADCASTERS, INC.

ORDER DESIGNATING APPLICATION FOR CONSOLIDATED HEARING ON STATED ISSUES

In re application of Kitsap G. I. Broadcasters, Inc., Bremerton, Washington, Docket No. 8019, File No. B5-P-5327; for construction permit.

At a session of the Federal Communications Commission, held at its offices in Washington, D. C., on the 19th day of December 1946;

The Commission having under consideration above-entitled application requesting a construction permit for a new standard broadcast station to operate on 850 kc, with 1 kw power, daytime only, at Bremerton, Washington;

*It is ordered*, That, pursuant to section 309 (a) of the Communications Act of 1934, as amended, the said application be, and it is hereby, designated for hearing in a consolidated proceeding with the application of F. L. Thornhill d/b as East Side Broadcasting Company (File No. B5-P-5363), requesting a construction permit for a new standard broadcast station to operate on 860 kc, with 250 w power, daytime only, at Kirkland, Washington, at a time and place to be designated by subsequent order of the Commission, upon the following issues:

1. To determine the legal, technical, financial, and other qualifications of the applicant corporation, its officers, directors and stockholders to construct and operate the proposed station.

2. To determine the areas and populations which may be expected to gain primary service from the operation of the proposed station and the character of other broadcast service available to those areas and populations.

3. To determine the type and character of program service proposed to be rendered and whether it would meet the requirements of the populations and areas proposed to be served.

4. To determine whether the operation of the proposed station would involve ob-

jectionable interference with any existing broadcast stations and, if so, the nature and extent thereof, the areas and populations affected thereby, and the availability of other broadcast service to such areas and populations.

5. To determine whether the operation of the proposed station would involve objectionable interference with the services proposed in the pending application of F. L. Thornhill d/b as East Side Broadcasting Company (File No. B5–P–5363) or in any other pending applications for broadcast facilities and, if so, the nature and extent thereof, the areas and populations affected thereby, and the availability of other broadcast service to such areas and populations.

6. To determine whether the installation and operation of the proposed station would be in compliance with the Commission's rules and Standards of Good Engineering Practice Concerning Standard Broadcast Stations.

7. To determine on a comparative basis which, if either, of the applications in this consolidated proceeding should be granted.

By the Commission.

[SEAL] T. J. SLOWIE, *Secretary.*

[F. R. Doc. 47–398; Filed, Jan. 15, 1947; 8:53 a. m.]

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[Docket Nos. 8021, 8022]

MOUNT VERNON BROADCASTING CO. AND MOUND BROADCASTING CORP.

ORDER DESIGNATING APPLICATION FOR CONSOLIDATED HEARING ON STATED ISSUES

In re applications of The Mount Vernon Broadcasting Company, Mt. Vernon, Ohio, Docket No. 8021, File No. B2–P–5329; Mound Broadcasting Corporation, Newark, Ohio, Docket No. 8022, File No. B2–P–5486; for construction permits.

At a session of the Federal Communications Commission, held at its offices in Washington, D. C., on the 19th day of December 1946;

The Commission having under consideration the above-entitled applications for construction permits for new standard broadcast stations to operate on 1340 kc, with 250 w power, unlimited time, at the respective locations indicated above;

*It is ordered,* That, pursuant to section 309 (a) of the Communications Act of 1934, as amended, the said applications be, and they are hereby, designated for hearing in a consolidated proceeding at a time and place to be designated by subsequent order of the Commission, each upon the following issues:

1. To determine the legal, technical, financial, and other qualifications of the applicant corporation, its officers, directors and stockholders to construct and operate the proposed station.

2. To determine the areas and populations which may be expected to gain primary service from the operation of the proposed station and the character of other broadcast service available to those areas and populations.

3. To determine the type and character of program service proposed to be rendered and whether it would meet the requirements of the populations and areas proposed to be served.

4. To determine whether the operation of the proposed station would involve objectionable interference with any existing broadcast stations and, if so, the nature and extent thereof, the areas and populations affected thereby, and the availability of other broadcast service to such areas and populations.

5. To determine whether the operation of the proposed station would involve objectionable interference with the services proposed in the other pending application in this consolidated proceeding or in any other pending applications for broadcast facilities and, if so, the nature and extent thereof, the areas and populations affected thereby, and the availability of other broadcast service to such areas and populations.

6. To determine whether the installation and operation of the proposed station would be in compliance with the Commission's rules and Standards of Good Engineering Practice Concerning Standard Broadcast Stations.

7. To determine on a comparative basis which, if either, of the applications in this consolidated proceeding should be granted.

By the Commission.

[SEAL] T. J. SLOWIE, *Secretary.*

[F. R. Doc. 47–399; Filed, Jan. 15, 1947; 8:54 a. m.]

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[Docket Nos. 8017, 8018]

MCKINNEY AIR ENTERPRISES, INC., AND GAINESVILLE BROADCASTING CO., INC.

ORDER DESIGNATING APPLICATION FOR CONSOLIDATED HEARING ON STATED ISSUES

In re applications of McKinney Air Enterprises, Inc., McKinney, Texas, Docket No. 8017, File No. B3–P–5210; Gainesville Broadcasting Company, Inc., Gainesville, Texas, Docket No. 8018, File No. B3–P–5416; for construction permits.

At a session of the Federal Communications Commission, held at its offices in Washington, D. C., on the 19th day of December 1946;

The Commission having under consideration the above-entitled applications, each requesting a construction permit for a new standard broadcast station to operate on 1580 kc, with 250 w power, daytime only, at the locations respectively indicated above;

*It is ordered,* That, pursuant to section 309 (a) of the Communications Act of 1934, as amended, the said applications be, and they are hereby, designated for hearing in a consolidated proceeding at a time and place to be designated by subsequent order of the Commission, each upon the following issues:

1. To determine the legal, technical, financial, and other qualifications of the applicant corporation, its officers, directors and stockholders to construct and operate the proposed station.

2. To determine the areas and populations which may be expected to gain primary service from the operation of the proposed station and the character of other broadcast service available to those areas and populations.

3. To determine the type and character of program service proposed to be rendered and whether it would meet the requirements of the populations and areas proposed to be served.

4. To determine whether the operation of the proposed station would involve objectionable interference with any existing broadcast stations and, if so, the nature and extent thereof, the areas and populations affected thereby, and the availability of other broadcast service to such areas and populations.

5. To determine whether the operation of the proposed station would involve objectionable interference with the services proposed in the other pending application in this consolidated proceeding or in any other pending applications for broadcast facilities and, if so, the nature and extent thereof, the areas and populations affected thereby, and the availability of other broadcast service to such areas and populations.

6. To determine whether the installation and operation of the proposed station would be in compliance with the Commission's rules and Standards of Good Engineering Practice Concerning Standard Broadcast Stations.

7. To determine on a comparative basis which, if either, of the applications in this consolidated proceeding should be granted.

By the Commission.

[SEAL] T. J. SLOWIE, *Secretary.*

[F. R. Doc. 47–400; Filed, Jan. 15, 1947; 8:54 a. m.]

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[Docket No. 8020]

EAST SIDE BROADCASTING CO.

ORDER DESIGNATING APPLICATION FOR CONSOLIDATED HEARING ON STATED ISSUES

In re application of F. L. Thornhill d/b as East Side Broadcasting Company, Kirkland, Washington, Docket No. 8020, File No. B5–P–5363; for construction permit.

At a session of the Federal Communications Commission, held at its offices in Washington, D. C., on the 19th day of December 1946;

The Commission having under consideration the above-entitled application requesting a construction permit for a new standard broadcast station to operate on 860 kc, with 250 w power, daytime only, at Kirkland, Washington;

*It is ordered,* That, pursuant to section 309 (a) of the Communications Act of 1934, as amended, the said application be, and it is hereby, designated for hearing in a consolidated proceeding with the application of Kitsap G. I. Broadcasters, Inc. (File No. B5–P–5327), requesting a construction permit for a new standard broadcast station to operate on 850 kc, with 1 kw power, daytime only, at Bremerton, Washington, at a time and

place to be designated by subsequent order of the Commission, upon the following issues:

1. To determine the legal, technical, financial, and other qualifications of the applicant to construct and operate the proposed station.

2. To determine the areas and populations which may be expected to gain primary service from the operation of the proposed station and the character of other broadcast service available to those areas and populations.

3. To determine the type and character of program service proposed to be rendered and whether it would meet the requirements of the populations and areas proposed to be served.

4. To determine whether the operation of the proposed station would involve objectionable interference with any existing broadcast stations and, if so, the nature and extent thereof, the areas and populations affected thereby, and the availability of other broadcast service to such areas and populations.

5. To determine whether the operation of the proposed station would involve objectionable interference with the services proposed in the pending application of Kitsap G. I. Broadcasters, Inc. (File No. B5–P–5327) or in any other pending applications for broadcast facilities and, if so, the nature and extent thereof, the areas and populations affected thereby, and the availability of other broadcast service to such areas and populations.

6. To determine whether the installation and operation of the proposed station would be in compliance with the Commission's rules and Standards of Good Engineering Practice Concerning Standard Broadcast Stations.

7. To determine on a comparative basis which, if either, of the applications in this consolidated proceeding should be granted.

By the Commission.

[SEAL] T. J. SLOWIE, *Secretary.*

[F. R. Doc. 47–401; Filed, Jan. 15, 1947; 8:54 a. m.]

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[Docket Nos. 8031, 8032]

ROSE CAPITAL BROADCASTING CO. AND BLACKSTONE BROADCASTING CO., INC.

ORDER DESIGNATING APPLICATION FOR CONSOLIDATED HEARING ON STATED ISSUES

In re applications of Rose Capital Broadcasting Company, Tyler, Texas, Docket No. 8031, File No. B3–P–4975. Blackstone Broadcasting Co., Inc., Tyler, Texas, Docket No. 8032, File No. B3–P–5316; for construction permits.

At a session of the Federal Communications Commission, held at its offices in Washington, D. C., on the 19th day of December 1946;

The Commission having under consideration the above-entitled applications, each requesting a construction permit for a new standard broadcast station to operate on 940 kc, with 250 w power, daytime only, at Tyler, Texas;

*It is ordered*, That, pursuant to section 309 (a) of the Communications Act of 1934, as amended, the said applications be, and they are hereby, designated for hearing in a consolidated proceeding at a time and place to be designated by subsequent order of the Commission, each upon the following issues:

1. To determine the legal, technical, financial, and other qualifications of the applicant corporation, its officers, directors, and stockholders to construct and operate the proposed station.

2. To determine the areas and populations which may be expected to gain primary service from the operation of the proposed station and the character of other broadcast service available to those areas and populations.

3. To determine the type and character of program service proposed to be rendered and whether it would meet the requirements of the populations and areas proposed to be served.

4. To determine whether the operation of the proposed station would involve objectionable interference with any existing broadcast stations and, if so, the nature and extent thereof, the areas and populations affected thereby, and the availability of other broadcast service to such areas and populations.

5. To determine whether the operation of the proposed station would involve objectionable interference with the services proposed in the other pending application in this consolidated proceeding or in any other pending applications for broadcast facilities and, if so, the nature and extent thereof, the areas and populations affected thereby, and the availability of other broadcast service to such areas and populations.

6. To determine whether the installation and operation of the proposed station would be in compliance with the Commission's rules and Standards of Good Engineering Practice Concerning Standard Broadcast Stations.

7. To determine on a comparative basis which, if either, of the applications in this consolidated proceeding should be granted.

By the Commission.

[SEAL] T. J. SLOWIE, *Secretary.*

[F. R. Doc. 47–402; Filed, Jan. 15, 1947; 8:54 a. m.]

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[Docket Nos. 8011, 8012]

AMERICAN BROADCASTING CO., INC., ET AL.

ORDER DESIGNATING APPLICATION FOR CONSOLIDATED HEARING ON STATED ISSUES

In the matter of applications of American Broadcasting Company, Inc. (KGO), San Francisco, California, for modification of construction permit, Docket No. 8011, File No. B5–MP–2157; Denver Broadcasting Company, Denver, Colorado, for construction permit, Docket No. 8012, File No. B5–P–5141; and Modification of Broadcast License of General Electric Company (WGY), Schenectady, New York, File No. B1–S–264.

At a session of the Federal Communications Commission held at its offices in Washington, D. C., on the 17th day of December 1946;

The Commission having under consideration the following matters:

(1) Application of American Broadcasting Company, Inc. (File No. B5–MP–2157) requesting a modification of construction permit to authorize changes in the directional antenna of Station KGO, San Francisco, California;

(2) Application of Denver Broadcasting Company (File No. B5–P–5141) for a construction permit for a new standard broadcast station to operate on the frequency 810 kc with power of 25 kw, 50 kw-LS, using directional antenna day and night at Denver, Colorado; and

(3) Request of American Broadcasting Company (KGO) that Station WGY, Schenectady, New York, be required to install a directional antenna which would afford nighttime protection to Station KGO operating as proposed in the aforesaid application; and

It appearing, that Station WGY now operates unlimited time at Schenectady, New York, on the frequency 810 kc with 50 kw power; that Station KGO is authorized to operate unlimited time, with directional antenna, on the same frequency at San Francisco, California, with 50 kw power; and that the said request of American Broadcasting Company, Inc. pertaining to the installation of a directional antenna by Station WGY, would, if granted, be a modification of the broadcast license of Station WGY;

*It is ordered*, That, pursuant to section 309 (a) of the Communications Act of 1934, as amended, the above entitled applications of American Broadcasting Company (KGO) and Denver Broadcasting Company be, and they are hereby, designated for hearing in a consolidated proceeding, at a time and place to be designated by subsequent order of the Commission, and that as a part of the said proceeding, and in consolidation therewith, the licensee of Station WGY, General Electric Company, be, and it is hereby, afforded the opportunity to show cause why the broadcast license issued to the said General Electric Company, for the operation of Station WGY, should not be modified so as to specify a directional antenna which would afford nighttime protection to the said proposed operation of Station KGO.

*It is further ordered*, That the said applications of American Broadcasting Company, Inc. (KGO) and Denver Broadcasting Company be heard upon the following issues:

1. To determine the legal, technical, financial and other qualifications of the applicant, Denver Broadcasting Company, its officers, directors and stockholders, to construct and operate its proposed station, and the technical, financial and other qualifications of the applicant American Broadcasting Company, Inc., its officers, directors and stockholders, to construct and operate Station KGO as proposed.

2. To determine the areas and populations which may be expected to gain or lose primary service from the proposed operations and the character of other

broadcast service available to those areas and populations.

3. To determine the type and character of program service proposed to be rendered and whether it would meet the requirements of the populations and areas proposed to be served.

4. To determine whether the proposed operations, or either of them, would involve objectionable interference with any existing broadcast station and, if so, the nature and extent thereof, the areas and populations affected thereby, and the availability of other broadcast service to such areas and populations.

5. To determine whether the proposed operations would involve objectionable interference, each with the other, or with the services proposed in any other pending applications for broadcast facilities and, if so, the nature and extent thereof, the areas and populations affected thereby, and the availability of other broadcast service to such areas and populations.

6. To determine whether Station WGY, Schenectady, New York, would involve objectionable interference with the proposed operations, particularly with the operation of Station KGO as proposed, whether such interference, if any, could be eliminated by the installation of a directional antenna by Station WGY, and whether it would be in the public interest to modify Station WGY's broadcast license to specify such a directional antenna.

7. To determine whether the installations and operations proposed by the applicants would be in compliance with the Commission's rules and Standards of Good Engineering Practice Concerning Standard Broadcast Stations.

8. To determine on a comparative basis, which, if either, of the applications in this consolidated proceeding should be granted.

By the Commission.

[SEAL] WM. P. MASSING,
*Acting Secretary.*

[F. R. Doc. 47-390; Filed, Jan. 15, 1947; 8:52 a. m.]

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EXTENSION, OR REINSTATEMENT AND EXTENSION, OF CERTAIN AMATEUR LICENSES [1]

JANUARY 3, 1947.

The Federal Communications Commission has announced that on January 3, 1947, it adopted and made effective immediately its Order 115-C pertaining to amateur radio operator and station licenses. This order is comprehensive in its provisions. Except for amateur licenses which have been or subsequently are suspended, revoked, or voluntarily surrendered and to which the order does not apply, the order applies to every amateur operator and station license which was issued on or between December 7, 1938, and December 31, 1944. With regard to these licenses to which the order applies, the effect of the order is to reinstate any licenses that may have expired on or since December 7, 1946, and to extend the terms of these licenses and of unexpired licenses so that all such licenses will expire in 1948, at 3 a. m., eastern standard time, the same day and month as the date of issuance shown on the operator license. Station and operator licenses held by the same licensee will expire concurrently. Under this order, it will not be necessary for any amateur to refer to the earlier Commission Orders 115, 115-A, 115-B and 130-F. If the license was issued on or between the indicated dates, and has not been or is not subsequently suspended, revoked, or voluntarily surrendered, the application of Order 115-C is automatic and no action by the licensee is required.

The Commission also pointed out that, as a result of the fact that all amateur licenses originally issued for a three-year term were issued on or before December 31, 1945, and only five-year term licenses have been issued on and since January 1, 1946, all amateur licenses originally issued for a three-year term, whether covered by this Order 115-C or not, will expire during the year 1948.

[SEAL] FEDERAL COMMUNICATIONS COMMISSION,
T. J. SLOWIE,
*Secretary.*

[F. R. Doc. 47-369; Filed, Jan. 15, 1947; 8:47 a. m.]

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STANDARD BROADCAST APPLICATIONS [1]

ADOPTION OF TEMPORARY EXPEDITING PROCEDURE

JANUARY 8, 1947.

On August 16, 1946, the Commission announced the adoption of a new procedure for processing applications for standard broadcast stations. Under this procedure applications which present relatively simple engineering problems are placed in Processing Line No. 1 and those involving complicated engineering problems are placed in Processing Line No. 2. Within each processing line priority in starting the processing of applications is determined by the file number of the application.

Since that time satisfactory progress has been made with respect to Line 1. As a result, as things stand today, the time between the filing of an application which is placed in Line 1 and when it is acted upon by the Commission by granting it or designating it for hearing is between one and three months.

The progress on Line 2 has not been nearly so satisfactory. As of January 6, 1947 there were still 188 applications in this line. While this does represent an improvement over the situation which has existed in the past, it is still far from satisfactory and applications which are destined for Line 2 have no reasonable prospect even today of being acted on short of 9 to 12 months.

The main reason for the slowness in moving Line 2 cases results from the fact that these applications generally raise complex engineering questions requiring in almost all cases a complete channel survey. Channel surveys in general are difficult to make and are time-consuming. What has complicated the problem even more is that channel surveys are practically out of date before they are completed because in the meantime additional applications have been filed for operation on the frequency in question. With no immediate prospect in sight of any substantial lessening in the number of applications to be filed, it is obvious that no improvement in the movement of Line 2 applications can be expected as long as applications are continued to be accepted for filing.

In order to meet this situation, the Commission has determined to institute a temporary expediting procedure for the handling of standard broadcast applications for construction permits or modifications of permits. Any such standard broadcast application which is filed after February 7, 1947 and before May 1, 1947 will be placed in temporary pending files and will not be acted upon by the Commission nor considered by the Commission in acting upon applications filed on or before February 7, 1947. This procedure will apply not only to applications that would be placed in Line 2 but also to those would be placed in Line 1. It is necessary to include Line 1 applications as well as those in Line 2 because of the adjacent channel interference problems that are presented. In addition, except as set forth below, during the period that the temporary expediting procedure is in effect, amendments to applications that affect the engineering aspects of the application, other than equipment, will result in the application being placed in the temporary pending files. This will apply to cases in hearing as well as those not designated for hearing. The only exception to the procedure for placing in the temporary pending files applications that are filed after February 7, 1947 are applications for modification of permit the filing of which is ordered by the Commission as a condition to a grant of a construction permit and those applications for modification of permit which do not request a change of frequency, power or hours of operation and which in addition do not involve any interference to any existing station or to any proposed station.

It is the Commission's intention to act upon all applications filed on or before February 7, 1947 by May 1, 1947; all such applications will either be granted or designated for hearing. In addition, the Commission will endeavor to dispose of as many hearing cases as possible. So far as nonhearing cases are concerned, applications in Line 1 will continue to be processed as at the present time; the applications will be taken up in the order of their file number. So far as Line 2 applications are concerned, a different procedure will be followed. Since experience has shown that in practically all such cases a channel survey is required, the Line 2 applications will be taken up channel by channel. The formula to be followed by the Commission in determining the order in which the various channels will be considered will be announced shortly after February 7.

When the Commission is ready to act on a channel survey, it will give notice

[1] Part 12—Rules Governing Amateur Radio Service.

[1] Part 1—Rules Relating to Organization and Practice and Procedure, § 1.373.

to the engineers and attorneys for the applicants on that channel that an informal engineering conference will be held at a designated time and place. Representatives of applicants on adjacent channels may also be invited if this appears to be desirable. The engineers should be prepared to bring to this conference such engineering studies as are requested by the Commission.[2] All technical phases of the applications will be considered at the conference. In many cases the discussions at the conference will disclose methods by which interference can be eliminated or reduced. After the conference is concluded, the parties will be given a reasonable time (15 days if possible) to make appropriate amendments to their applications to eliminate or reduce interference. In this connection no amendments will be accepted which would change the frequency requested or which would increase power or hours of operation unless the applicant desires to have his application placed in the temporary pending files. Following such amendments a second conference will be held to consider such amendments. At this conference a committee of consulting engineers under the chairmanship of a Commission engineer will be appointed for the purpose of preparing a channel survey within a specified period. It is hoped that as a result of these conferences a channel survey can be prepared which the parties will accept as accurate. Of course, parties will not be expected to agree to the exact amount of interference that would be acceptable or that specified directional antennas will prove to be feasible in operation. Upon the completion of the survey, the applications will be presented to the Commission for action.

It should be pointed out that during the period the temporary expediting procedure is in effect, the Commission will continue to act periodically on all standard broadcast applications filed on or before February 7, 1947 and to decide as many hearing cases as possible.

Beginning with May 1, 1947, applications will once again be processed in the usual manner. Applications designated for hearing during the period the temporary expediting procedure is in effect as to which the hearing begins after such period will be subject to the rules on consolidation, intervention, petitions for reconsideration in the same manner as other applications.

The substance of the procedure which is provided for by this public notice was discussed at an informal conference held with the consulting radio engineers on January 6, 1947 in order to determine whether their cooperation and assistance could be enlisted. It is obvious from a consideration of the plan that its success depends on the Commission being able to secure the assistance of additional outside engineers, since it is not possible to provide for additional engineers within the Commission's budget. The feasibility and desirability of this procedure was endorsed by these consulting engineers and they have promised their fullest support and cooperation.

The Commission is of the opinion that the temporary expediting procedure will not result in any prejudice to the rights of applicants. All interested persons will have until February 7, 1947 to file any applications they intend to file. As a result of the procedure the Commission will be enabled to move all applications now on file, or which may be filed on or before February 7, 1947. In addition, it should be possible to expedite decisions on cases in hearing. Finally, as a result of the removal of the backlog, applications which are placed in the temporary pending files as well as those filed after May 1, 1947 should receive much more expeditious consideration than is now possible and indeed Line 2 cases placed in the temporary pending files will in all probability receive earlier action as a result of the new procedure than they could have received were they required to wait the 9 or 12 months necessary for action on Line 2 cases under present procedure.

[SEAL] FEDERAL COMMUNICATIONS COMMISSION,
T. J. SLOWIE,
*Secretary.*

[F. R. Doc. 47-370; Filed, Jan. 15, 1947; 8:47 a. m.]

[2] In this connection, if no substantial changes are suggested in the proposed amendments to the Standards of Good Engineering Practice as adopted on December 20, 1946, the Commission will make such amendments effective by February 10, 1947 so that the engineering data at the conference may be submitted on the basis of the new standards.

## FEDERAL FARM MORTGAGE CORPORATION

[Surplus Property Transfer Order 2]

JEFFERSON NATIONAL FOREST

TRANSFER OF JURISDICTION OF SURPLUS FOREST LANDS

Transferring jurisdiction of surplus forest lands in the Jefferson National Forest, Virginia, to the Forest Service pursuant to the provisions of the Surplus Property Act of 1944 (58 Stat. 765).

Whereas, the following described lands, title to which was acquired by the United States of America in the condemnation suit entitled United States of America vs. 1830.62 acres of land, more or less, in Botetourt County, Virginia, Triton Chemical Company, Inc., et al., Civil No. 60, situate within the exterior boundaries of the Jefferson National Forest have been declared surplus and classified as forest lands pursuant to the provisions of the Surplus Property Act of 1944 (58 Stat. 765):

All that certain piece or parcel of land lying in the County of Botetourt near Glen Wilton, Virginia, bounded and described in plat and survey made by S. S. Lynn, State Certified Surveyor, December, 1940. Beginning at a point 1, said point being and old iron rail set just North of some large rocks and a little southeast of a larger rock; thence South 48 degrees East 2472 feet to point 2, an iron rod; thence South 59 degress 45 minutes East 2821 feet to point 3, a dead locust; thence North 26 degrees 05 minutes East 1049 feet to point 4, a black oak; thence South 23 degrees 34 minutes East 61.4 feet to point 5, a larger black oak; thence North 73 degrees 51 minutes East 137 feet to point 6, a corner locust post; thence South 31 degrees 57 minutes East 353.5 feet to point 7, an iron pipe; thence South 38 degrees 35 minutes East 209 feet to point 8; thence North 31 degrees 18 minutes East 172 feet to a point; thence North 82 degrees East 40 feet to point 9 in the westerly right-of-way line of the C & O Railroad; thence 8 courses with the said right-of-way line North 19 degrees 05 minutes East 1054 feet to point 10; thence on a curve to the right, the radius of which is 3869.8 feet a distance of 518 feet to point 11; thence North 26 degrees 45½ minutes East 3876 feet to point 12; thence along a curve to the left, the radius of which is 1860.5 feet for a distance of 386.6 feet to point 13; thence North 14 degrees 50½ minutes East 300 feet to point 14; thence on a curve to the right, the radius of which is 1482.7 feet for a distance of 240 feet to point 15; thence North 24 degrees 7 minutes East 300 feet to point 16; thence North 27 degrees 07 minutes East 149 feet to point 17; thence leaving the C & O right-of-way line North 35 degrees West 1931.5 feet to point 18, a stake; thence North 88 degrees 30 minutes West 304 feet to point 19, a fat pine stake; thence North 78 degrees West 1918 feet to point 20, a stake on a flat ridge; thence North 25 degrees 45 minutes East 297 feet to point 21, a concrete post; thence by the land of the United States National Forest North 78 degrees 30 minutes West 7140 feet to point 22, a United States Forest corner on top of mountain; thence South 2 degrees West 1820 feet to point 23, a pine stake and rock pile; thence South 13 degrees West 323 feet to point 24, a rock pile near South end of a ridge; thence South 23 degrees West 883 feet to point 25, a rock pile at turn of ridge; thence South 10 degrees 12 minutes West 1952 feet to point 26, a rock 3 feet square; thence South 27 degrees 45 minutes West 1799 feet to point 27, a 30 inch rock on a larger sloping rock; thence South 14 degrees 15 minutes East 1287 feet to point 28, a red sand stone rock; thence South 51 degrees 21 minutes East 561 feet to point 29, a pine knot on steep South slope; thence South 38 degrees 15 minutes East 792 feet to point 30, a stone with a pile of rocks; thence South 78 degrees 24 minutes East 2082 feet to point 31, a stake; thence North 13 degrees 30 minutes East 1584 feet to point 1, the place of beginning.

Excepting and excluding from the above-described lands the following tracts or parcels:

1. All that certain tract or parcel of land being in the County of Botetourt, State of Virginia, near the Village of Glen Wilton and formerly known as the Superintendent's House of the Longdale Iron Company, being described as metes and bounds as follows:

Beginning at the North corner of said lot, an iron pipe; thence South 60 degrees 22 minutes East 234 feet to an iron pipe; thence South 29 degrees 38 minutes West 166.5 feet to an iron pipe in northeast edge of road; thence along the northeast edge of road North 56 degrees 1 minute West 91.5 feet to an iron pipe, North 48 degrees 12 minutes West 80 feet to a short railroad iron, North 24 degrees 26 minutes West 50 feet to a short railroad iron; thence North 6 degrees 28 minutes West 40 feet to an iron rod; thence North 26 degrees 30 minutes East 81.4 feet to the Beginning, containing 0.78 acres, more or less. Excepted in condemnation suit.

2. That portion of the above-described lands upon which a spur track of the Chesapeake and Ohio Railway is located, which land was conveyed by deed dated March 8, 1941, and recorded in Deed Book 91, Page 384 in the office of the Clerk of the Circuit Court of Botetourt County, and is more particularly described as follows:

Beginning at a point in the existing right-of-way line 50 feet northwesterly at right angles from center line of main track of the James River Sub-Division of The Chesapeake and Ohio Railway at station 5468 plus 36.3, also being 25 feet northwesterly at right angles from center line of spur track serving Triton Chemical Company, Inc., at station 2 plus 73; thence northwesterly parallel with and 25 feet from center line of spur track which is on a 10 degree 00 minute curve to the left to station 8 plus 25, continuing on a tangent North 36 degrees 04 minutes 30 seconds West to station 12 plus 37.4, continuing on a 6 degree 00 minute curve to the right to station 15 plus 39 and continuing parallel with and 25 feet from main spur track a total distance of 1379 feet, more or less, to a point opposite station 16 plus 66; thence northeasterly and radially toward center line of main spur track 13 feet; thence northwesterly parallel with and 12 feet from center line of main spur track and spur track produced which is on a curve to the right and tangent North 6 degrees 32 minutes 30 seconds West a total distance of 360 feet, more or less; thence northeasterly at right angles to center line of main spur track produced at station 20 plus 25, 21 feet; thence parallel with and 9 feet from center line of main spur track produced and main spur track on a tangent South 6 degrees 32 minutes 30 seconds East and curve to the left a total distance of 359 feet, more or less, to a point opposite station 16 plus 66; thence northeasterly and radially from center line of main spur track 31 feet; thence southeasterly parallel with and 25 feet from center line of siding and main spur track which is on a 6 degree 00 minute curve to the left to station 12 plus 37.4, continuing on a tangent South 36 degrees 04 minutes 30 seconds East to station 8 plus 25 and continuing on a 10 degree 00 minute curve to the right a total distance of 1168 feet, more or less, to a point in right-of-way line; thence South 19 degrees 07 minutes 30 seconds West on right-of-way line parallel with and 50 feet from center line of main track 228 feet, more or less, to point of Beginning and containing 1.66 acres, more or less. Excepted in condemnation suit.

3. 3.45 acres, more or less, conveyed by United States to County School Board of Botetourt County, Virginia, by deed dated October 30, 1946. Described by metes and bounds as follows:

Beginning at a point on the edge of the Virginia Highway No. 718 and the boundary line between the property of the Glen Wilton Corporation and the United States of America, also known as the Virginia Ordnance Works, Glen Wilton, Virginia, thence from said point of beginning parallel to and along said highway No. 718, North 59 degrees 45 minutes West 250 feet to a point; thence North 26 degrees 5 minutes East 600 feet to a point, thence South 59 degrees 45 minutes East 250 feet to a point on the property line between the said Glen Wilton Corporation and the said Virginia Ordnance Works Reservation; thence to and along said property line South 26 degrees 5 minutes West 600 feet to the point of beginning, containing 3.45 acres, more or less.

4. Lot No. 811 containing .70 of an acre, exclusive of the area in the road which is to be used in common with others, conveyed by the United States to Aubrey W. Keyser of Eagle Rock, Virginia by deed dated September 5, 1946. Described by metes and bounds as follows:

Beginning at a stake on the southern boundary of the 1830.62 acre tract owned by the United States of America corner to Lot. No. 808 sold to Jake E. Fairburn and wife, running thence with the western boundary of Lot No. 808 North 34½ degrees East, crossing road, 270 feet to a stake corner to Lots No. 812, No. 809 and No. 808; thence with the southern boundary of Lot No. 812, North 54½ degrees West 150 feet to the line of Second Street; thence partly with the line of Second Street and partly with the eastern boundary of Lot No. 814, South 28 degrees West, crossing road, 280 feet to a stake in the aforesaid southern boundary of the 1830.62 acre tract; thence with said southern boundary, South 59 degrees 45 minutes East 116 feet to the beginning.

5. Lot No. 813 containing .60 of an acre, conveyed by the United States to Houston L. Thurston of Glen Wilton, Virginia, by deed dated September 5, 1946. Described by metes and bounds as follows:

Beginning at a stake corner to Lots No. 812, No. 809 and No. 810 and running thence with Lot No. 810, sold to Parker L. Dudley, North 34½ degrees East 162 feet; thence North 61½ degrees West 157 feet to Second Street; thence with the east side of Second Street South 28 degrees West 143 feet to a stake corner to Lot No. 812; thence with the northern boundary of Lot No. 812 South 50½ degrees East 153 feet to the beginning.

6. Lot No. 808 containing .90 of an acre, exclusive of the area in the road which is to be used in common with others, conveyed by the United States to Jake E. Fairburn and Margaret G. Fairburn, his wife, of Glen Wilton, Virginia, by deed dated September 5, 1946. Described by metes and bounds as follows:

Beginning at a stake on the southern boundary of the 1830.62 acre tract owned by the United States of America, said stake being on the west side of the road entering the property; thence with the west line of said road in a northwesterly direction 150 feet to the west side of First Street; thence with the west side of First Street North 36 degrees East 118 feet to a stake at the southeast corner of Lot No. 809; thence with same North 54½ degrees West 152 feet to a stake corner to Lots No. 809, No. 812 and No. 811; thence with Lot No. 811 sold to Aubrey W. Keyser South 34½ degrees West crossing the road 270 feet to a stake on the southern boundary of said 1830.62 acre tract; thence with said southern boundary South 54 degrees 45 minutes East 280 feet to the beginning.

7. Lot No. 807 containing .78 of an acre, conveyed by the United States to J. S. Thurston of Glen Wilton, Virginia by deed dated September 5, 1946. Described by metes and bounds as follows:

Beginning at a stake on the east side of First Street corner to the lot containing 0.78 of an acre, on which was located what was formerly known as the Superintendent's House of the Longdale Iron Company; thence with the northern boundary of said lot South 58½ degrees East 195 feet; thence North 19 degrees East 223 feet; thence North 61½ degrees West 151 feet to the east side of First Street; thence along east side of said First Street South 36 degrees West 213 feet to the place of beginning.

8. Lot No. 810 containing .66 of an acre, conveyed by the United States to Parker L. Dudley of Botetourt County, Virginia by deed dated September 5, 1946. Described by metes and bounds as follows:

Beginning at a stake on the west side of First Street corner to Lot No. 809 and running thence with the west side of First Street North 36 degrees East 172 feet to a stake; thence North 61½ degrees West 180 feet to a stake corner to Lot No. 813 sold to Houston L. Thurston; thence with the eastern boundary of said Lot No. 813, South 34½ degrees West 162 feet to a stake corner to Lots No. 813, No. 812 and No. 809; thence with the northern boundary of Lot No. 809; South 50½ degrees East 152 feet to the place of beginning.

9. Five parcels containing 75.06 acres, conveyed by the United States to Arnold M. Frazier and Lorene Frazier of Botetourt County, Virginia, by deed dated October 29, 1946. Described by metes and bounds as follows:

Tract No. 1 containing 70.98 acres. Beginning at a stake at the west corner of the school lot and thence with the outside line North 59 degrees 45 minutes West 1830 feet to the corner of lot formerly known as the Superintendent's House of the Longdale Iron Company; thence North 33 degrees East 190 feet; North 58½ degrees West 20 feet to the corner of Lot No. 807; and with the same North 19 degrees East 223 feet; North 61½ degrees West 151 feet to First Street; and with the same North 36 degrees East 152 feet; thence North 61½ degrees West 470 feet passing Lots No. 810, No. 813 and No. 815, to a stake corner to Lot No. 815, near the water tank; thence North 36 degrees East 60 feet to a stake in the center of the Dinkey R. R. and with the center of same South 78½ degrees East 100 feet; South 85½ degrees East 800 feet; North 88½ degrees East 100 feet; North 82 degrees East 239 feet to center of Plant Road; North 75¾ degrees East 100 feet; North 71 degrees East 100 feet; North 68 degrees East 100 feet; North 66 degrees East 200 feet; North 69½ degrees East 100 feet; North 83¾ degrees East 100 feet, South 87¾ degrees East 100 feet; South 77 degrees East 100 feet; South 64½ degrees East 100 feet; South 53½ degrees East 100 feet; South 42¼ degrees East 100 feet; South 31 degrees East 100 feet; South 28½ degrees East 1025 feet; to a stake in said Dinkey line; thence leave the Dinkey line South 46 degrees West 52 feet to corner; thence South 73 degrees 51 minutes West 137 feet to a Black oak; North 23 degrees 34 minutes West 61.4 feet to a black oak; thence South 26 degrees 05 minutes West 449 feet to a stake corner to the School lot; thence with the same North 59 degrees 45 minutes West 250 feet; South 26 degrees 05 minutes West 600 feet to the beginning, containing 70.98 acres according to a survey made March 26, 1946.

Lot No. 809 containing .47 of an acre. Beginning at a stake on the west side of First Street corner to Lot No. 808 sold to Jake Fairburn; thence with the west side of said street North 36 degrees East 116 feet to a stake corner to Lot No. 810 sold to Parker L. Dudley; thence with the southern boundary of same North 50½ degrees West 152 feet to a stake corner to Lot No. 813 sold to Houston L. Thurston and Lot No. 812 hereinafter described; thence with the eastern boundary of Lot No. 812 South 34½ degrees West 123 feet to a stake corner to Lot No. 811 sold to Aubrey W. Keyser and Lot No. 808 sold to Jake Fairburn; thence with the northern boundary of Lot No. 808 South 54½ degrees East 153 feet to the beginning.

Lot No. 812 containing .44 of an acre. Beginning at a stake corner to Lot No. 809 described above, and corner to Lot No. 808 sold to Jake Fairburn and Lot No. 811 sold to Aubrey W. Keyser; thence with the western boundary of Lot No. 809 North 34½ degrees East 123 feet to a stake corner to Lot No. 810 sold to Parker L. Dudley and Lot No. 813 sold to Houston L. Thurston; thence with Lot No. 813 North 50½ degrees West 153 feet to a stake on the east side of Second Street; thence with the east side of Second Street South 28 degrees West 133 feet to a stake corner to Lot No. 811 sold to Aubrey W. Keyser; thence with the northern boundary of said Lot No. 811 South 54½ degrees East 150 feet to the beginning.

Lot No. 814 and a strip of land 75 feet by 380 feet adjoining said lot on the west, containing 2.17 acres, exclusive of the area in Second Street, which street is to be used in common with others. Beginning at a stake on the southern boundary of the 1830.62 acre tract owned by the United States, corner to Lot No. 811 sold to Aubrey W. Keyser; thence with the western boundary of said Lot No. 811 and partly with the western boundary of Lot No. 812 described above North 28 degrees East 360 feet to a stake on the east side of Second Street; thence North 53

degrees West to a stake on the west side of Second Street corner to Lot No. 815 hereinafter described; thence with the southern boundary of said Lot No. 815 North 53 degrees West 190 feet to the western boundary of Lot No. 814; thence North 53 degrees West 75 feet; thence South 36 degrees West, by a line parallel to the western boundary of Lot No. 814, 380 feet to the aforesaid southern boundary of the 1830.62 acre tract; thence with the same South 48 degrees East 75 feet to the western boundary of Lot No. 814; thence continuing with said southern boundary South 48 degrees East 32 feet to an iron pin and South 59¾ degrees East 225 feet to the beginning.

Lot No. 815 and a strip of land 75 feet by 194 feet adjoining said lot on the west, containing 1 acre. Beginning at a stake on the west side of Second Street corner to Lot No. 814 described above; thence with the west side of Second Street North 28 degrees East 205 feet to the southern boundary of Tract No. 1 described above; thence with said southern boundary North 61½ degrees West 173 feet to the westernmost corner of said Tract No. 1; and the northwestern corner of Lot No. 815; thence North 61½ degrees West 75 feet; thence South 36 degrees West by a line parallel to the western boundary of Lot No. 815 194 feet; thence South 53 degrees East 75 feet to the southwestern corner of Lot No. 815 corner to Lot No. 814 described above; thence with the northern boundary of Lot No. 814 South 53 degrees East 190 feet to the place of beginning. Lands being transferred by this Order to the jurisdiction of the Forest Service contain 1748.48 acres, more or less.

Subject to: 1. Existing easements for public roads, railroads, and public utilities therein; and

2. The interest conveyed by quitclaim deed dated October 29, 1946 from the United States to Arnold M. Frazier and Lorene Frazier, their heirs and assigns, both at law and in equity, in and to the log and wood dam and concrete dam located in the southern part of the 1830.62 acre tract known as the Virginia Ordnance Works near the Village of Glen Wilton, said dams being located about midway between the east and west boundaries of said tract. Also, all sources of water supplying said dams, four wells, water tank, and all pipe lines, mains, pumps, connections, pipes, valves, tanks, drains and facilities in connection with the operation of the water system on the aforesaid 1830.62 acre tract of land and with full right of ingress and egress at all times for the purpose of inspecting, constructing, maintaining, repairing, replacing, renovating and relocating any of the foregoing.

Whereas the Forest Service is desirous of acquiring administrative control and jurisdiction over the above described lands for administration as a part of the Jefferson National Forest and the acquisition has been approved by the National Forest Reservation Commission; and

Whereas, the Forest Service has caused the sum of $8200.37, which is the fair value of the lands, to be covered into the Treasury of the United States as miscellaneous receipts from funds appropriated by the Congress for the acquisition of lands under the provisions of the act of March 1, 1911 (36 Stat. 961), as amended;

Now therefore, the Federal Farm Mortgage Corporation, pursuant to the authority vested in it in the disposal of surplus agricultural or forest property, by virtue of delegations of authority issued pursuant to the provisions of the aforementioned act of 1944, does hereby transfer the aforesaid lands to the Forest Service as of this date.

In witness whereof, the Federal Farm Mortgage Corporation has, on this 13th day of December, 1946, caused these presents to be duly executed for and in its name and behalf and the seal of the said corporation to be hereunto affixed.

[SEAL] FEDERAL FARM MORTGAGE CORPORATION,
HOMER M. RESPESS,
*Vice President.*

Attest:

H. B. WILLIAMS,
*Assistant Secretary.*

[F. R. Doc. 47-364; Filed, Jan. 15, 1947; 8:55 a. m.]

## FEDERAL POWER COMMISSION

[Docket Nos. G-134, G-440, G-591]

UNITED FUEL GAS CO. ET AL.

NOTICE OF OPINION AND ORDER MAKING EFFECTIVE REDUCTION IN RATES

JANUARY 13, 1947.

City of Columbus, Ohio, complainant, v. United Fuel Gas Company, defendant, Docket No. G-134; in the matters of United Fuel Gas Company, Warfield Natural Gas Company, Cincinnati Gas Transportation Company, and Huntington Development and Gas Company, Docket No. G-440; and United Fuel Gas Company, Warfield Natural Gas Company, and Cincinnati Gas Transportation Company, Docket No. G-591.

Notice is hereby given that, on January 10, 1947, the Federal Power Commission issued its Opinion No. 145 and order making effective reduction in rates, entered December 14, 1946, in the above-designated matters.

[SEAL] LEON M. FUQUAY,
*Secretary.*

[F. R. Doc. 47-407; Filed, Jan. 15, 1947; 8:49 a. m.]

[Docket No. G-839]

MICHIGAN CONSOLIDATED GAS CO.

NOTICE OF APPLICATION

JANUARY 10, 1947.

Notice is hereby given that on December 26, 1946, an application was filed with the Federal Power Commission by Michigan Consolidated Gas Company (Applicant), a Michigan corporation with its principal place of business in Detroit, Michigan, for a certificate of public convenience and necessity pursuant to section 7 of the Natural Gas Act, as amended, to authorize Applicant to install additional wells, field lines and appurtenant facilities in Austin and Reed City fields, located near Big Rapids, Michigan, which fields, upon the completion of a proposed interstate natural-gas transmission pipeline project to be constructed and operated by Michigan-Wisconsin Pipe Line Company (Michigan-Wisconsin), are to be leased to and operated by and subsequently sold to Michigan-Wisconsin as gas storage fields as integral parts of said proposed pipeline project, all as hereinafter more particularly described. This application was filed pursuant to the Commission's order of November 30, 1946, in Docket No. G-669, "In the matter of Michigan-Wisconsin Pipe Line Company."

(a) Applicant seeks authorization to install the following described additional facilities in Austin Field:

(1) Twenty-seven gas wells, eight dry holes, forty wellhead-piping-and-structures units, forty well heaters, and appurtenant facilities;

(2) Field lines consisting of approximately 3,286 feet of 3-inch pipe, 17,393 feet of 4-inch pipe, 8,523 feet of 6-inch pipe, 6,295 feet of 8-inch pipe, 6,411 feet of 12-inch pipe, 1,244 feet of 16-inch pipe, and 200 feet of 24-inch pipe.

(b) Applicant seeks authorization to install the following described additional facilities, first group facilities, in Reed City Field:

(1) Twenty-five gas wells, twenty-five wellhead - piping - and - structures units, and appurtenant facilities;

(2) Field lines consisting of approximately 5,280 feet of 3-inch pipe, 8,580 feet of 4-inch pipe, 3,960 feet of 6-inch pipe, 6,600 feet of 8-inch pipe, 1,980 feet of 10-inch pipe, 1,320 feet of 12-inch pipe, and 22,012 feet of 24-inch pipe.

(c) Applicant seeks authorization to install the following described additional facilities, second group facilities, in Reed City Field:

(1) Thirty-four gas wells, fifty-nine wellhead - piping - and - structures units, eighty-three well heaters, and appurtenant facilities.

(2) Field lines consisting of approximately 15,780 feet of 3-inch pipe, 19,800 feet of 4-inch pipe, 13,320 feet of 6-inch pipe and 6,600 feet of 8-inch pipe.

Applicant states that prior to the aforementioned Commission's order of November 30, 1946, it had substantially completed the installation of the additional facilities in Austin Field, described in paragraphs (a) (1) and (a) (2) above and had completed the installation of a portion of the first group of additional facilities in Reed City Field described in paragraphs (b) (1) and (b) (2) above. It is further stated that the remainder of the facilities to be installed in Austin Field and of the first group of facilities to be installed in Reed City Field will be completed prior to January 1, 1948, and that the second group of facilities in the Reed City Field will be installed prior to January 1, 1952.

Applicant owns and operates Austin and Reed City fields and proposes to continue to operate these fields pending completion of the aforementioned proposed pipeline project to be constructed and operated by Michigan-Wisconsin, whereby natural gas is to be transported from the Hugoton Field in Texas and Oklahoma to various markets, including several districts of Applicant. Upon completion of this proposed pipeline project Michigan-Wisconsin will lease Austin and Reed City fields from Applicant and operate them as gas storage fields as integral parts of the proposed pipeline project, and will thereafter, on or before December 31, 1951, purchase such fields from Applicant. The lease, operation, and subsequent purchase of these fields by Michigan-Wisconsin are covered by a gas contract dated December 4, 1945, and a lease dated December 9, 1946, entered into between Michigan-Wisconsin and Applicant.

Applicant estimates the total over-all capital cost of all of the proposed facilities described herein to be $1,572,450, which it proposes to finance with funds from its own treasury. Of this amount, $502,250 has been expended by Applicant for that portion of the facilities described herein and already installed, leaving $1,070,200 as the total over-all capital cost of the facilities described herein which remain to be installed.

Any interested State commission is requested to notify the Federal Power Commission whether the application should be considered under the cooperative provisions of the Commission's rules of practice and procedure, and, if so, to advise the Federal Power Commission as to the nature of its interest in the matter and whether it desires a conference, the creation of a board, or a joint or concurrent hearing, together with the reasons for such request.

Any person desiring to be heard or to make any protest with reference to the application of Michigan Consolidated Gas Company should file with the Federal Power Commission, Washington 25, D. C., not later than fifteen days from the date of publication of this notice in the FEDERAL REGISTER, a petition or protest in accordance with the Commission's rules of practice and procedure.

[SEAL] LEON M. FUQUAY,
*Secretary.*

[F. R. Doc. 47-408; Filed, Jan. 15, 1947; 8:49 a. m.]

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[Docket No. G-704]

## TRANS-CONTINENTAL GAS PIPE LINE CO., INC.

### NOTICE OF AMENDED APPLICATION

JANUARY 10, 1947.

Notice is hereby given that on December 11, 1946, Trans-Continental Gas Pipe Line Company, Inc. (Applicant), a corporation organized and existing under the laws of the State of Texas and having its principal place of business at Longview, Texas, filed with the Federal Power Commission "its First Amended Application in lieu of its Original Application filed herein on March 1, 1946" [1] and applies for a certificate of public convenience and necessity pursuant to section 7 of the Natural Gas Act, as amended, authorizing the construction and operation of the following described facilities:

(1) A 26-inch transmission line beginning at a point in the Old Ocean Gas Field, near Houston in Brazoria County, Texas, and proceeding northeasterly a distance of 200 miles to Applicant's proposed Compressor Station No. 1, located near the town of Hemphill in Sabine County, Texas. This 26-inch pipe line will have a capacity of 200,000,000 cu. ft. of gas per day.

(2) A 20-inch transmission line beginning from a point near the town of Carthage in the Carthage Gas Field, Panola County, Texas, and proceeding thence in a southeasterly direction a distance of approximately 65 miles to Applicant's proposed Compressor Station No. 1, near the town of Hemphill in Sabine County, Texas. This 20-inch transmission line will have a capacity of 225,000,000 cu. ft. of gas per day.

(3) A 26-inch transmission line beginning at Applicant's proposed Compressor Station No. 1, which is located near the town of Hemphill, in Sabine County, Texas, thence in a northeasterly direction a distance of approximately 1380 miles to various points of delivery located in the Eastern Seaboard area of the states of New York, New Jersey, Pennsylvania, Delaware and Maryland. This 26-inch transmission line will have a delivery capacity at its eastern end of 325,000,000 cu. ft. of gas per day.

(4) A 12-inch transmission line beginning at a point near the town of Pledger, in the Pledger Gas Field, Brazoria County, Texas, thence in a southeasterly direction a distance of approximately seven miles terminating at the intersection with the 26-inch transmission line described in paragraph (1). This 12-inch transmission line will have a capacity of 50,000,000 cu. ft. of gas per day.

(5) A 16-inch transmission line beginning at a point near the town of Alvin, in the Chocolate Bayou Gas Field, Brazoria County, Texas, thence in a northwesterly direction a distance of approximately 24 miles terminating at the intersection with the 26-inch transmission line described in paragraph (1). This 16-inch transmission line will have a capacity of 50,000,000 cu. ft. of gas per day.

(6) A 14-inch transmission line beginning at Applicant's proposed 26-inch transmission line described in paragraph (3), near the town of Baltimore, Maryland, in Baltimore County, Maryland, thence in a southeasterly direction a distance of approximately five miles to a point near the city limits of Baltimore, Maryland. This 14-inch transmission line will have a capacity of approximately 50,000,000 cu. ft. of gas per day.

(7) A 10-inch transmission line beginning at Applicant's proposed 26-inch transmission line described in paragraph (3) near the town of Kennett Square, Pennsylvania, in Chester County, Pennsylvania, thence in a southeasterly direction a distance of approximately 12 miles to a point near the city limits of Wilmington, Delaware. This 10-inch transmission line will have a capacity of approximately 20,000,000 cu. ft. of gas per day.

(8) A 12-inch transmission line beginning at Applicant's proposed 26-inch transmission line described in paragraph (3) near the town of Newton Square, Pennsylvania, in Chester County, Pennsylvania, thence in a southeasterly direction a distance of approximately 10 miles to a point near the south city limits of the city of Philadelphia, Pennsylvania. This 12-inch transmission line will have a capacity of approximately 40,000,000 cu. ft. of gas per day.

(9) A 12-inch transmission line beginning at Applicant's proposed 26-inch transmission line described in paragraph (3), near the town of Horsham, Pennsylvania, in Montgomery County, Pennsylvania, thence in a southeasterly direction a distance of approximately 10 miles to a point near the north city limits of Philadelphia, Pennsylvania. This 12-inch transmission line will have a capacity of approximately 40,000,000 cu. ft. of gas per day.

(10) An 8-inch transmission line begining at Applicant's proposed 26-inch transmission line described in paragraph (3), near the town of Titusville, New Jersey, in Mercer County, New Jersey, thence in a southeasterly direction a distance of approximately eight miles to a point near the city limits of Trenton, New Jersey. This 8-inch transmission line will have a capacity of approximately 10,000,000 cu. ft. of gas per day.

(11) A Compressor Station with eleven 1,000 horsepower units, together with the necessary equipment for the operation of same, which is to be located near the town of Hemphill, in Sabine County, Texas, with a capacity of 362,223,000 cu. ft. of gas per day.

(12) A Compressor Station with ten 1000 horsepower units, together with the necessary equipment for the operation of same, which is to be located approximately 13 miles in a southeasterly direction from the town of Winfield, Louisiana, near U. S. Highway 167, in Grant Parish, Louisiana, with a capacity of 359,206,000 cu. ft. of gas per day.

(13) A Compressor Station with ten 1000 horsepower units, together with the necessary equipment for the operation of same, which is to be located approximately 16 miles in a southerly direction from Tallulah, Louisiana, near U. S. Highway 65, in Madison Parish, Louisiana, with a capacity of 356,315,000 cu. ft. of gas per day.

(14) A Compressor Station with ten 1000 horsepower units together with the necessary equipment for the operation of same, which is to be located approximately seven miles in a southeasterly direction from the town of Canton, Mississippi, near State Highway 18, in Madison County, Mississippi, with a capacity of 353,349,000 cu. ft. of gas per day.

(15) A Compressor Station with ten 1000 horsepower units, together with the necessary equipment for the operation of same, which is to be located approximately 13 miles in a southeasterly direction from the town of Macon, Mississippi, near U. S. Highway 45, in Noxubee County, Mississippi, with a capacity of 350,407,000 cu. ft. of gas per day.

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[1] On March 1, 1946, Trans-Continental Gas Pipe Line Company, Inc., filed an application for a certificate of public convenience and necessity pursuant to section 7 of the Natural Gas Act, as amended, for authority to acquire, construct and operate facilities for the transportation and sale of natural gas in interstate commerce, subject to the jurisdiction of the Commission.

Applicant then proposed to purchase from the War Assets Corporation the Big Inch, Little Big Inch and Southwest Emergency Pipe Lines, and to construct all necessary facilities including extensions necessary to convert such pipe lines to gas transmission.

In the application, it was stated that in the event Applicant is not successful in purchasing the Big Inch, Little Big Inch and Southwest Emergency Pipe Lines, it proposes to construct a 26-inch pipe line from Corpus Christi, Texas, to the States of Pennsylvania, New Jersey and New York with an initial full load capacity of 300 million cubic feet per day. It is also proposed that such line will be looped by a 26-inch line as the market develops and facilities permit in order to insure continuous service.

(16) A Compressor Station with ten 1000 horsepower units, together with the necessary equipment for the operation of same, which is to be located approximately seven miles in a southerly direction from Bessemer, Alabama, near U. S. Highway 11, in Jefferson County, Alabama, with a capacity of 347,490,000 cu. ft. of gas per day.

(17) A Compressor Station with ten 1000 horsepower units, together with the necessary equipment for the operation of same, which is to be located approximately three miles in a northeasterly direction from the town of Edwardsville, Alabama, near U. S. Highway 78, in Cleburne County, Alabama, with a capacity of 344,597,000 cu. ft. of gas per day.

(18) A Compressor Station with ten 1000 horsepower units, together with the necessary equipment for the operation of same, which is to be located approximately five miles in an easterly direction from the town of Buford, Georgia, near U. S. Highway 23, in Gwinnett County, Georgia, with a capacity of 341,728,000 cu. ft. of gas per day.

(19) A Compressor Station with ten 1000 horsepower units, together with the necessary equipment for the operation of same, which is to be located approximately two miles in an easterly direction from the town of Piedmont, South Carolina, near State Highway 86, Anderson County, South Carolina, with a capacity of 338,872,000 cu. ft. of gas per day.

(20) A Compressor Station with ten 1000 horsepower units, together with the necessary equipment for the operation of same, which is to be located approximately 10 miles in an easterly direction from the town of Lincolnton, North Carolina, near State Highway 16, in Lincoln County, North Carolina, with a capacity of 336,052,000 cu. ft. of gas per day.

(21) A Compressor Station with ten 1000 horsepower units, together with the necessary equipment for the operation of same, which is to be located approximately four miles in a northwesterly direction from the town of Reidsville, North Carolina, near State Highway 87, in Rockingham County, North Carolina, with a capacity of 333,254,000 cu. ft. of gas per day.

(22) A Compressor Station with ten 1000 horsepower units, together with the necessary equipment for the operation of the same, which is to be located approximately five miles in a westerly direction from the town of Buckingham, Virginia, near U. S. Highway 60, in Buckingham County, Virginia, with a capacity of 330,480,000 cu. ft. of gas per day.

(23) A Compressor Station with ten 1000 horsepower units, together with the necessary equipment for the operation of same, which is to be located approximately five miles in a southerly direction from Manassas, Virginia, near State Highway 234, in Prince William County, Virginia, with a capacity of 327,729,000 cu. ft. of gas per day.

(24) A Compressor Station with ten 1000 horsepower units, together with the necessary equipment for the operation of same, which is to be located approximately four miles in a westerly direction from the town of Dublin, Maryland, near State Highway 440, in Hartford County, Maryland, with a capacity of 325,000,000 cu. ft. of gas per day.

(25) A Gas Dehydration Plant, which is to be located in the Carthage Gas Field, Panola County, Texas, with a capacity of 115,000,000 cu. ft. of gas per day.

(26) A second Gas Dehydration Plant, which is to be located in the Carthage Gas Field, Panola County, Texas, with a capacity of 115,000,000 cu. ft. of gas per day.

(27) A Gas Dehydration Plant, which is to be located in the Old Ocean Gas Field, Brazoria County, Texas, with a capacity of 100,000,000 cu. ft. of gas per day.

(28) A Gas Dehydration Plant, which is to be located in the Chocolate Bayou Gas Field, Brazoria County, Texas, with a capacity of 50,000,000 cu. ft. of gas per day.

(29) A Gas Dehydration Plant, which is to be located in the Pledger Gas Field, Brazoria County, Texas, with a capacity of 50,000,000 cu. ft. of gas per day.

(30) A Sales Gas Meter Station, which is to be located near the junction of 132d Street and the Hudson River, New York City, New York, with a capacity of 150,000,000 cu. ft. of gas per day.

(31) Four Sales Gas Meter Stations, which are to be located at various points near Newark, New Jersey, each to have a capacity of 30,000,000 cu. ft. of gas per day, or a combined capacity of 120,000,000 cu. ft. of gas per day.

(32) A Sales Meter Station, which is to be located near Trenton, New Jersey, with a capacity of 10,000,000 cu. ft. of gas per day.

(33) A Sales Gas Meter Station, which is to be located near Elizabeth, New Jersey, with a capacity of 10,000,000 cu. ft. of gas per day.

(34) Eight Sales Gas Meter Stations, which are to be located near Philadelphia, Pennsylvania, four of which will have a capacity of 20,000,000 cu. ft. of gas per day each. The other four will have a capacity of 10,000,000 cu. ft. of gas per day each. The total capacity of the eight Sales Gas Meter Stations will be 120,000,000 cu. ft. of gas per day.

(35) A Sales Gas Meter Station, which is to be located near Wilmington, Delaware, with a capacity of 10,000,000 cu. ft. of gas per day.

(36) A Sales Gas Meter Station, which is to be located near Baltimore, Maryland, with a capacity of 20,000,000 cu. ft. of gas per day.

(37) Five Gathering System Meter Stations, which are to be located at various points in the Carthage Gas Field, Panola County, Texas, with a capacity of 50,000,000 cu. ft. of gas per day each, or a total capacity of 250,000,000 cu. ft. of gas per day.

(38) A Gathering System Meter Station, which is to be located in the Old Ocean Gas Field, Brazoria County, Texas, with a capacity of 100,000,000 cu. ft. of gas per day.

(39) A Gathering System Meter Station, which is to be located in the Pledger Gas Field, Brazoria County, Texas, with a capacity of 50,000,000 cu. ft. of gas per day.

(40) A Gathering System Meter Station, which is to be located in the Chocolate Bayou Field, Brazoria County, Texas, with a capacity of 50,000,000 cu. ft. of gas per day.

(41) A Check Meter Station, which is to be located at Applicant's proposed Compressor Station No. 1, near the town of Hemphill in Sabine County, Texas, with a capacity of 365,264,000 cu. ft. of gas per day.

(42) A Check Meter Station, which is to be located at Applicant's proposed Compressor Station No. 14, near the town of Dublin, in Hartford County, Maryland, with a capacity of approximately 325,000,000 cu. ft. of gas per day.

The following statements, among others, are made in the application concerning the proposed project:

Applicant is a new corporation, recently organized for the sole purpose of buying, constructing and operating the pipe lines hereinbefore described for the transportation of sweet natural gas. Applicant owns no gas producing, manufacturing or distributing properties and has no other interest except that which is connected with this proposed project.

Applicant will, at the proper time, make application to do business in States of Louisiana, Mississippi, Alabama, Georgia, South Carolina, North Carolina, Virginia, Maryland, Delaware, Pennsylvania, New Jersey and New York.

The proposed facilities are designed to deliver at the eastern terminal approximately 325,000,000 cu. ft. of gas per day, using all the facilities described herein. The pressure at the delivery end of the line will be maintained at approximately 400 psig, by the use of Compressor Stations installed at regular intervals, compressing the gas to 800 psig. The line will be installed with the ultimate compressor capacity and will begin operation delivering the maximum flow. The line capacity can be increased by looping and adding compressor horsepower. These facilities can be installed as the need for gas is developed in the market area. It is contemplated that Applicant will operate its proposed facilities at a load factor of at least 92% during all of the months of the year.

Applicant proposes to supply the requirements of the proposed line from residue gas produced in connection with oil now being vented to the air for lack of a market, and from high pressure gas distillate wells located in Panola and Brazoria Counties, Texas. Applicant will require the various producers to furnish gas reserves of 1,500,000 cu. ft. for each 1,000,000 cu. ft. of gas which they will be obligated to furnish applicant under their gas contracts.

Applicant is negotiating for reserves from operators and owners in Panola County, Texas for 1,459,606,000,000 cu. ft. of gas. Applicant is negotiating for reserves from owners and operators in Brazoria County, Texas of 3,915,000,000,000 cu. ft. of gas. Under the proposed rated withdrawal Applicant will have reserves to supply gas at the rate of 365,264,000 cu. ft. of gas per day for approximately 40 years. In addition to gas reserves from Panola and Brazoria Counties, Applicant is negotiating for reserves of 830,000,000,000 cu. ft. of gas from Harrison and Marion Counties, Texas.

Applicant will reserve 25% of the capacity of the proposed line for flare and residue gas.

It is proposed by Applicant to supply natural gas to major gas companies now supplying the consumers market in the eastern seaboard area of the States of New York, Pennsylvania, New Jersey, Delaware and Maryland. Applicant has negotiated for contracts for the sale of natural gas to the following companies in this area:

Consolidated Edison Co., New York, N. Y.
Brooklyn Union Gas Co., Brooklyn, N. Y.
Public Service Corp., Newark, N. J.
Philadelphia Gas Works Co., Philadelphia, Pa.
Philadelphia Electric Co., Philadelphia, Pa.
Consolidated Gas Electric & Power Co., Baltimore, Md.
Delaware Power & Light Co., Wilmington, Del.
Elizabeth Consolidated Gas Co., Elizabeth, N. J.

In addition to these companies various other companies and industries in the area will be served wherever the economics justify the construction of facilities to serve them.

The natural gas supplied to these companies will be used mainly for enrichment and reforming in connection with their manufactured gas product. The area is presently being served with various combinations of carbonated water gas, coke oven gas and refinery gas.

Applicant has agreed with the utilities serving the territory to expand the market for domestic and superior use of natural gas. In negotiations with utility companies Applicant and the utility companies have tentatively agreed upon a contract whereby the only gas not used for enriching or reforming purposes in connection with their manufacturing and distributing business will be used by them during off heating season in their electric generating stations.

The proposed rate at which this gas is to be sold to all distributing companies in the eastern seaboard area is or will be on a rate schedule basis equivalent to 2.25¢ per therm when the total contract volume of each company is taken for the month.

The total estimated overall capital cost of Applicant's project including working capital is $130,000,000. Applicant proposes to issue $12,000,000 of Common Stock, all of which will be subscribed to by Applicant's present stockholders; $15,000,000 of 4½% Preferred Stock which will be privately sold by one of the investment houses Applicant is negotiating with; $78,000,000 of First Mortgage Bonds which will be sold to a number of Insurance Companies with whom Applicant is now negotiating; and bank loans of $25,000,000 from banks in Texas and New York with whom Applicant is now negotiating. Applicant does not contemplate a public offering of its stock or securities. A small brokerage fee, not exceeding 3%, will be paid the investment house that sells privately Applicant's Preferred Stock. No fee will be paid for the sale of Bonds to the Insurance Companies or for the bank loans.

Applicant proposes to begin surveying, preparing rights-of-way maps, buying rights-of-way, compressor station sites, ordering materials, etc. immediately after the granting of the Certificate of Public Convenience and Necessity. Applicant proposes to begin construction of said facilities within 90 days after the granting of Certificate of Public Convenience and Necessity, and to complete construction of said facilities within 18 months thereafter.

Any interested State commission is requested to notify the Federal Power Commission whether the application should be considered under the cooperative provisions of the Commission's rules of practice and procedure, and, if so, to advise the Federal Power Commission as to the nature of its interest in the matter and whether it desires a conference, the creation of a board, or a joint or concurrent hearing, together with the reasons for such request.

Any person desiring to be heard or to make any protest with reference to the application of Trans-Continental Gas Pipe Line Company, Inc. should file with the Federal Power Commission, Washington 25, D. C., not later than fifteen days from the date of the publication of this notice in the FEDERAL REGISTER, a petition or protest in accordance with the Commission's rules of practice and procedure.

[SEAL] LEON M. FUQUAY,
*Secretary.*

[F. R. Doc. 47-409; Filed, Jan. 15, 1947; 8:49 a. m.]

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[Docket No. G-234]

BORDER PIPE LINE CO.

ORDER FIXING DATE OF HEARING

JANUARY 10, 1947.

It appears to the Commission that:

(a) On February 11, 1942, Border Pipe Line Company ("Applicant"), a Delaware corporation with its principal legal office at Wilmington, Delaware, and its operating office at Houston, Texas, filed an application (Docket No. G-234) for a certificate of public convenience and necessity pursuant to section 7 of the Natural Gas Act, as amended, authorizing it to construct and operate certain facilities in the State of Texas, particularly described as follows:

(i) A 1,100 H. P. compressor station at a point in the northwesterly portion of Jim Hogg County, Texas.

(ii) An 8⅝-inch pipe line, approximately 38 miles in length, extending from such compressor station in a northwesterly direction to a point at or near the easterly bank of the Rio Grande River approximately seven miles south of Laredo, Texas, and attendant metering and regulating equipment.

(b) Prior to the filing of such application, Applicant, on February 2, 1942, filed an application pursuant to section 3 of the Natural Gas Act (Docket No. G-228) for an order authorizing it to export natural gas from the United States to Mexico by means of the above-described facilities. Applicant proposed that the gas to be exported would be produced in San Salvador Field, Hidalgo County, Texas, and would be transported by means of facilities of Rio Grande Valley Gas Company to the aforementioned compressor station in Jim Hogg County, whence Applicant would transport the gas to the aforementioned point south of Laredo, Texas, at or near the easterly bank of the Rio Grande River. There, Applicant would sell the same to American Smelting and Refining Company ("American Company") for transportation to, and consumption at, a zinc smelter of American Company in La Rosita, Mexico.

(c) On February 26, 1942, and June 17, 1942, respectively, Applicant and American Company filed applications for Presidential Permits, pursuant to Executive Order No. 8202, for the construction, operation, maintenance and connection, at the international boundary of the United States, and at the aforementioned location approximately seven miles south of Laredo, Texas, of facilities for the exportation of natural gas to Mexico (Docket No. G-228). On September 14, 1942, American Company filed an application (Docket No. G-228) in which it joined in the application of Border Pipe Line Company for an order authorizing the exportation of natural gas.

(d) On October 10, 1942, the Commission issued an order in Docket No. G-228 which, as modified by a supplemental order on November 4, 1942, authorized Applicant and American Company to export natural gas from the United States to Mexico for a period of 10 years from October 10, 1942, upon certain conditions therein specified. Presidential Permits, approved by the President on September 29, 1942, were in due course issued to Applicant and American Company, authorizing the construction, operation, maintenance and connection, at the border of the United States, of the proposed facilities to be there located.

(e) Thereafter, Applicant proceeded to construct its proposed facilities above-described, which included the facilities authorized under the Presidential Permit issued to it. In June 1943, Applicant commenced, and has since continued, to operate the same in the manner and for the purposes proposed by it, as above referred to.

(f) On November 8, 1945, the Secretary of the Commission addressed a letter to Applicant, notifying said company that on December 12, 1945, oral argument would be had before the Commission at Washington, D. C., "In the Matter of Reynosa Pipe Line Company," Docket Nos. G-594, G-595 and G-596, respecting the question whether a company which is engaged in the transportation of natural gas from the United States to a foreign country is a "natural-gas company" within the meaning of the Natural Gas Act, and subject to the provisions of section 7 thereof, as amended; and inviting Border Pipe Line Company to participate in such oral argument. Argument before the Commission upon the stated question was had at the time and place fixed, Applicant not participating therein. On June 6, 1946, in Docket No. G-595, the Commission rendered Opinion No. 135, in which it held that a company is required to obtain a certificate of public convenience and necessity pur-

suant to section 7 of the act, as amended, authorizing the construction and operation, within the boundaries of a single State, of facilities for the transportation of natural gas for public consumption in a foreign country. On December 17, 1946, in accordance with such opinion, the Commission entered an order whereby it found that Reynosa Pipe Line Company would be a "natural-gas company" within the meaning of that term as used in the Natural Gas Act upon engaging in the transportation and sale of natural gas for public consumption in Mexico by means of facilities which that company proposed to construct from a point within Texas to the international boundary between the United States and Mexico, and whereby the Commission issued a certificate of public convenience and necessity to Reynosa Pipe Line Company authorizing the construction and operation of such facilities (Docket No. G–748).

(g) Good cause exists for setting a hearing date respecting the issues presented by the application in Docket No. G–234.

(h) Said proceeding is a proper one for disposition by abridged hearing procedure.

The Commission, therefore, orders that:

(A) A public hearing be held commencing on January 27, 1947, at 9:45 a. m. (e. s. t.), in the Hearing Room of the Federal Power Commission, 1800 Pennsylvania Avenue, N. W., Washington, D. C., concerning the matters of fact and law asserted in the application filed in Docket No. G–234: *Provided, however,* That if no request to be heard, or protest or petition to intervene raising in the judgment of the Commission an issue of substance, has been filed or allowed prior to the date hereinbefore set for hearing, the Commission may, after a noncontested hearing, forthwith dispose of the proceeding by order upon consideration of the application and the evidence filed therewith and incorporated in the record of the proceeding, together with such additional evidence as may be available or as the Commission may require to be filed and incorporated in the record for its consideration.

(B) Interested State commissions may participate in this hearing as provided in the Commission's rules of practice and procedure.

Date of issuance: January 13, 1947.

By the Commission. Commissioner Draper dissented, stating that it is his view that Border Pipe Line Company is not now and will not be a "natural-gas company" under the provisions of the Natural Gas Act by reason of the operation of the facilities necessary to export natural gas as long as those facilities are used exclusively for performing the service authorized and the company does not engage in the sale of gas for resale or the transportation of gas for others within the United States by means of such facilities.

[SEAL] LEON M. FUQUAY,
*Secretary.*

[F. R. Doc. 47–359; Filed, Jan. 15, 1947; 8:56 a. m.]

[Docket No. IT–6024]

FLORIDA POWER CORP.

ORDER SUSPENDING RATE SCHEDULE AND FIXING DATE OF HEARING

JANUARY 10, 1947.

It appears to the Commission that:

(a) Florida Power Corporation has on file an agreement and rate schedule designated in the files of the Commission as Florida Power Corporation Rate Schedule FPC No. 16, providing for the sale and delivery of electric energy by Florida Power Corporation to the City of Quincy, Florida, for resale.

(b) By letter dated November 6, 1946, Florida Power Corporation submitted to the Commission for filing a superseding agreement and rate schedule dated October 14, 1946, between Florida Power Corporation and the City of Quincy, Florida, designated as Florida Power Corporation Rate Schedule FPC No. 21, providing for changes in the rates and charges for the sale and delivery of electric energy by Florida Power Corporation to the City of Quincy, Florida.

(c) Since Rate Schedule FPC No. 21, dated October 14, 1946, was not accompanied by the information required by the Commission's rules of practice and regulations under the Federal Power Act to be filed with proposed changes in rates, Florida Power Corporation was advised of this omission by letter dated November 25, 1946, and requested to submit the required information. On December 13, 1946, Florida Power Corporation's response was received. Without waiving full compliance with the rules of practice and regulations this rate schedule was accepted for filing on December 13, 1946.

(d) By letters dated November 8, 1946 and November 30, 1946, the City of Quincy, Florida, advised the Commission of its objections to certain changes embraced in Rate Schedule FPC No. 21.

(e) Unless suspended by order of the Commission, Florida Power Corporation Rate Schedule FPC No. 21 will become effective as of January 13, 1947, pursuant to the provisions of the Federal Power Act and the rules of practice and regulations thereunder.

(f) The change in rates or charges provided for by Florida Power Corporation Rate Schedule FPC No. 21 may result in excessive rates or charges to the City of Quincy, Florida; may place an undue burden upon ultimate consumers of electric energy; may be discriminatory; and may result in increased rates or charges which have not been shown to be justified.

The Commission finds that: It is necessary, desirable and in the public interest that the Commission enter upon a hearing concerning the lawfulness of the proposed increased rates or charges and that said proposed rates or charges be suspended pending such hearing and the decision thereon.

The Commission, upon its own motion, orders that:

(A) A public hearing be held on March 3, 1947, at 10:00 a. m., in the Hearing Room of the Federal Power Commission, 1800 Pennsylvania Avenue NW., Washington, D. C., concerning the lawfulness of the rates or charges provided for in Florida Power Corporation Rate Schedule FPC No. 21 for the sale and delivery of electric energy to the City of Quincy, Florida, for resale.

(B) Pending such hearing and decision thereon, the operation of the schedule of increased rates or charges for the sale of electric energy for resale provided for in said Florida Power Corporation Rate Schedule FPC No. 21 be and the same is hereby suspended and the use of such rates or charges deferred for a period of five months beyond January 13, 1947, unless the Commission shall otherwise order.

(C) During the said period of suspension the rates or charges now being collected and received by Florida Power Corporation from the City of Quincy, Florida, as provided in Florida Power Corporation Rate Schedule FPC No. 16, shall remain and continue in effect, insofar as they apply to the sale of electric energy for resale.

(D) At such hearing, the burden of proof to show that the proposed increased rates or charges are just and reasonable shall be upon the Florida Power Corporation.

Date of issuance: January 13, 1947.

By the Commission.

LEON M. FUQUAY,
*Secretary.*

[F. R. Doc. 47–360; Filed, Jan. 15, 1947; 8:56 a. m.]

## DEPARTMENT OF JUSTICE

### Office of Alien Property

[Vesting Order 7954]

GISABURO YAMANE ET AL.

In re: Guardianship Estate of Gisaburo, Haruto, Shinichi and Mitsuo Yamane, Minors, file D–39–18479; E. T. sec. 14606; H–385.

Under the authority of the Trading with the Enemy Act, as amended, Executive Order 9193, as amended, and Executive Order 9788, and pursuant to law, after investigation, it is hereby found:

1. That Mitsuo Yamane, whose last known address is Japan, is a resident of Japan and a national of a designated enemy country (Japan);

2. That all right, title, interest and claim of any kind or character whatsoever of the person named in subparagraph 1 hereof in and to the Guardianship Estate of Gisaburo, Haruto, Shinichi and Mitsuo Yamane, Minors, is property payable or deliverable to, or claimed by, the aforesaid national of a designated enemy country (Japan);

3. That such property is in the process of administration by S. Ushiroda, as Guardian, acting under the judicial supervision of the Circuit Court, Third Judicial Circuit, Territory of Hawaii;

and it is hereby determined;

4. That to the extent that the person named in subparagraph 1 hereof is not within a designated enemy country, the national interest of the United States requires that such person be treated as a national of a designated enemy country (Japan).

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

(40 Stat. 411; 55 Stat. 839; Pub. Law 322, 79th Cong.; 60 Stat. 50; Pub. Law 671, 79th Cong.; 60 Stat. 925; 50 U. S. C. 1, 616; E. O. 9193, July 6, 1942, 7 F. R. 5205; E. O. 9567, June 8, 1945, 10 F. R. 6917; E. O. 9788, Oct. 14, 1946, 11 F. R. 11981)

Executed at Washington, D. C., on January 7, 1947.

For the Attorney General.

[SEAL] DONALD C. COOK,
*Director.*

[F. R. Doc. 47-417; Filed, Jan. 15, 1947; 8:47 a. m.]

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[Vesting Order 7956]

I. G. FARBENINDUSTRIE, A. G.

In re: Bank account owned by I. G. Farbenindustrie, A. G.

Under the authority of the Trading with the Enemy Act, as amended, Executive Order 9193, as amended, and Executive Order 9788, and pursuant to law, after investigation, it is hereby found:

1. That I. G. Farbenindustrie, A. G., the last known address of which is Unter den Linden 78, Berlin NW7, Germany, is a corporation, organized under the laws of Germany, and which has or, since the effective date of Executive Order No. 8389, as amended, has had its principal place of business in Germany and is a national of a designated enemy country (Germany);

2. That the property described as follows:

That certain debt or other obligation owing to I. G. Farbenindustrie, A. G., by The National City Bank of New York, 55 Wall Street, New York, New York, arising out of an attachment ledger account, entitled I. G. Farbenindustrie, A. G., Berlin, Germany, and any and all rights to demand, enforce and collect the same,

is property within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by, the aforesaid national of a designated enemy country (Germany);

and it is hereby determined:

3. That to the extent that the person named in subparagraph 1 hereof is not within a designated enemy country, the national interest of the United States requires that such person be treated as a national of a designated enemy country (Germany).

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

(40 Stat. 411; 55 Stat. 839; Pub. Law 322, 79th Cong.; 60 Stat. 50; Pub. Law 671, 79th Cong.; 60 Stat. 925; 50 U. S. C. 1,616; E. O. 9193, July 6, 1942, 7 F. R. 5205; E. O. 9567, June 8, 1945, 10 F. R. 6917; E. O. 9788, Oct. 14, 1946, 11 F. R. 11981)

Executed at Washington, D. C., on January 7, 1947.

For the Attorney General.

[SEAL] DONALD C. COOK,
*Director.*

[F. R. Doc. 47-427; Filed, Jan. 15, 1947; 8:48 a. m.]

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[Vesting Order 7957]

ARMIN GEYER ET AL.

In re: Bank account, stock and bonds owned by Armin Geyer and others, F-28-9840-A-1, F-28-9148-A-1, F-28-9844-A-1, F-28-10023-A-1, F-28-10024-A-1, F-28-13317-A-1, and F-28-12458-A-1.

Under the authority of the Trading with the Enemy Act, as amended, Executive Order 9193, as amended, with Executive Order 9788, and pursuant to law, after investigation, it is hereby found:

1. That the following persons, whose names and last known addresses are set forth below:

*Names and Addresses*

Armin Geyer, Dresden-Blasewitz, Hindenburgufer 87, Germany.

Irma Arnold, Neusalza - Spremberg, Pfarrhaus, Germany.

Ralph Geyer, Antoniehuttenweg, Coswig-Anhalt, Germany.

Erika Haupt, 35 Mattigstrasse, Bautzen, Germany.

Harold Haupt, 35 Mattigstrasse, Bautzen, Germany.

Edith Reinhardt, Rittergut, Hainewalde (Oberlausitz), Germany.

Gerda Ungemach, Ludolfinger Weg 28, Berlin, Frohnau, Germany.

are residents of Germany and nationals of a designated enemy country (Germany);

2. That the property described as follows:

a. That certain debt or other obligation owing to each individual whose name is set forth below, by Mississippi Valley Trust Company, 225 North Broadway, St. Louis 2, Missouri, arising out of a Financial Department account, entitled Mississippi Valley Trust Company, Trustee, in the amounts set forth opposite their names as follows:

| Names: | *Amounts* |
|---|---|
| Armin Geyer | $3,268.04 |
| Irma Arnold | 2,836.03 |
| Ralph Geyer | 2,836.04 |
| Erika Haupt | 2,836.05 |
| Harold Haupt | 2,969.05 |
| Edith Reinhardt | 2,836.05 |
| Gerda Ungemach | 2,836.06 |

as of November 27, 1946, together with any and all accruals thereto, and any and all rights to demand, enforce and collect the same,

b. Those certain shares of stock described in Exhibit A, attached and by reference made a part hereof, registered in the name of Milton G. Kahle and Mississippi Valley Trust Company, Trustees under Indenture of Adele Kahle, dated March 6, 1926, owned by the persons listed in Exhibit A, and presently in the custody of Mississippi Valley Trust Company, 225 North Broadway, St. Louis 2, Missouri, together with all declared and unpaid dividends thereon, and

c. Those certain bonds described in Exhibit B, attached hereto and by reference made a part hereof, registered in the name of bearer, owned by the persons listed in Exhibit B, and presently in the custody of Mississippi Valley Trust Company, 225 North Broadway, St. Louis 2, Missouri, together with any and all rights thereunder and thereto,

is property within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by, the aforesaid nationals of a designated enemy country (Germany);

and it is hereby determined:

3. That to the extent that the persons named in subparagraph 1 hereof are not within a designated enemy country, the national interest of the United States requires that such persons be treated as nationals of a designated enemy country (Germany).

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

(40 Stat. 411; 55 Stat. 839; Pub. Law 322, 79th Cong.; 60 Stat. 50; Pub. Law 671, 79th Cong.; 60 Stat. 925; 50 U. S. C. 1, 616; E. O. 9193, July 6, 1942, 7 F. R. 5205; E. O. 9567, June 8, 1945, 10 F. R. 6917; E. O. 9788, Oct. 14, 1946, 11 F. R. 11981)

Executed at Washington, D. C., on January 7, 1947.

For the Attorney General.

[SEAL] DONALD C. COOK,
*Director.*

EXHIBIT A

| Name and address of issuing corporation | State of incorporation | Par value | Type of stock | Number of shares | Certificate No. | Owned by |
|---|---|---|---|---|---|---|
| Ely & Walker Dry Goods Co., 1520 Washington Ave., St. Louis, Mo. | Missouri | $20.00 | First preferred | 40 | FF358 | Armin Geyer. |
| St. Louis Union Trust Co., 323 North Broadway, St. Louis 2, Mo. | do | 20.00 | Capital | 4 | 7883 | Do. |
| Do | do | 20.00 | do | 4 | 7884 | Harold Haupt. |

EXHIBIT B

| Number of bonds and description of issue | Face value | No. | Owned by |
|---|---|---|---|
| One (1) 4½% New York State Railways First Consolidated Mortgage Series A Gold Bond. | $1,000.00 | A10884 | Armin Geyer. |
| Do | 1,000.00 | A10879 | Irma Arnold. |
| Do | 1,000.00 | A10882 | Ralph Geyer. |
| Do | 1,000.00 | A10880 | Erika Haupt. |
| Do | 1,000.00 | A10881 | Harold Haupt. |
| Do | 1,000.00 | A10877 | Edith Reinhardt. |
| One (1) 1% City of Sanford, Florida, Series A Refunding Bond | 1,000.00 | 996 | Harold Haupt. |

[F. R. Doc. 47-428; Filed, Jan. 15, 1947; 8:48 a. m.]

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[Vesting Order 7941]

DEUTSCHE BANK

In re: Bank account owned by Deutsche Bank.

Under the authority of the Trading with the Enemy Act, as amended, Executive Order 9193, as amended, and Executive Order 9788, and pursuant to law, after investigation, it is hereby found:

1. That Deutsche Bank, the last known address of which is Berlin, Germany, is a corporation, organized under the laws of Germany, and which has or, since the effective date of Executive Order No. 8389, as amended, has had its principal place of business in Germany and is a national of a designated enemy country (Germany);

2. That the property described as follows:

That certain debt or other obligation owing to Deutsche Bank, by Central Hanover Bank & Trust Company, 70 Broadway, New York, New York, arising out of a checking account, entitled Deutsche Bank, and any and all rights to demand, enforce and collect the same,

is property within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by, the aforesaid national of a designated enemy country (Germany);

and it is hereby determined:

3. That to the extent that the person named in subparagraph 1 hereof is not within a designated enemy country, the national interest of the United States requires that such person be treated as a national of a designated enemy country (Germany).

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

(40 Stat. 411; 55 Stat. 839; Pub. Law 322, 79th Cong., 60 Stat. 50; Pub. Law 671, 79th Cong., 60 Stat. 925; 50 U. S. C. 1, 616; E. O. 9193, July 6, 1942, 7 F. R. 5205; E. O. 9567, June 8, 1945, 10 F. R. 6917; E. O. 9788, Oct. 14, 1946, 11 F. R. 11981)

Executed at Washington, D. C., on January 3, 1947.

For the Attorney General.

[SEAL] DONALD C. COOK, *Director.*

[F. R. Doc. 47-418; Filed, Jan. 15, 1947; 8:47 a. m.]

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[Vesting Order 7942]

DEUTSCHE BANK & DISCONTO GESELLSCHAFT

In re: Bank account owned by Deutsche Bank & Disconto Gesellschaft, F-28-1279-E-5.

Under the authority of the Trading with the Enemy Act, as amended, Executive Order 9193, as amended, and Executive Order 9788, and pursuant to law, after investigation, it is hereby found:

1. That Deutsche Bank & Disconto Gesellschaft, the last known address of which is Berlin, Germany, is a corporation, organized under the laws of Germany, and which has or, since the effective date of Executive Order No. 8389, as amended, has had its principal place of business in Germany and is a national of a designated enemy country (Germany);

2. That the property described as follows:

That certain debt or other obligation owing to Deutsche Bank & Disconto Gesellschaft, by The Continental Bank & Trust Company of New York, 30 Broad Street, New York, New York, arising out of a checking account, entitled Deutsche Bank & Disconto Gesellschaft, and any and all rights to demand, enforce and collect the same,

is property within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by, the aforesaid national of a designated enemy country (Germany);

and it is hereby determined:

3. That to the extent that the person named in subparagraph 1 hereof is not within a designated enemy country, the national interest of the United States requires that such person be treated as a national of a designated enemy country (Germany).

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

(40 Stat. 411; 55 Stat. 839; Pub. Law 322, 79th Cong.; 60 Stat. 50; Pub. Law 671, 79th Cong.; 60 Stat. 925; 50 U. S. C. 1, 616; E. O. 9193, July 6, 1942, 7 F. R. 5205; E. O. 9567, June 8, 1945, 10 F. R. 6917; E. O. 9788, Oct. 14, 1946, 11 F. R. 11981)

Executed at Washington, D. C., on January 3, 1947.

For the Attorney General.

[SEAL] DONALD C. COOK, *Director.*

[F. R. Doc. 47-419; Filed, Jan. 15, 1947; 8:47 a. m.]

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[Vesting Order 7943]

I. G. FARBENINDUSTRIE, A. G.

In re: Bank account owned by I. G. Farbenindustrie, A. G.

Under the authority of the Trading with the Enemy Act, as amended, Executive Order 9193, as amended, and Executive Order 9788, and pursuant to law, after investigation, it is hereby found:

1. That I. G. Farbenindustrie, A. G., the last known address of which is Unter den Linden 82, Berlin N. W. 7, Germany, is a corporation, organized under the laws of Germany, and which has or, since the effective date of Executive Order No. 8389, as amended, has had its principal place of business in Germany and is a national of a designated enemy country (Germany);

2. That the property described as follows:

That certain debt or other obligation owing to I. G. Farbenindustrie, A. G., by Central Hanover Bank and Trust Company, 70 Broadway, New York, New York, arising out of a checking account,

entitled I. G. Farbenindustrie, A. G., and any and all rights to demand, enforce and collect the same,

is property within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by, the aforesaid national of a designated enemy country (Germany);

and it is hereby determined:

3. That to the extent that the person named in subparagraph 1 hereof is not within a designated enemy country, the national interest of the United States requires that such person be treated as a national of a designated enemy country (Germany).

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

(40 Stat. 411; 55 Stat. 839; Pub. Law 322, 79th Cong.; 60 Stat. 50; Pub. Law 671, 79th Cong.; 60 Stat. 925; 50 U. S. C. 1, 616; E. O. 9193, July 6, 1942, 7 F. R. 5205; E. O. 9567, June 8, 1945, 10 F. R. 6917; E. O. 9788, Oct. 14, 1946, 11 F. R. 11981)

Executed at Washington, D. C., on January 3, 1947.

For the Attorney General.

[SEAL] DONALD C. COOK,
*Director.*

[F. R. Doc. 47-420; Filed, Jan. 15, 1947; 8:47 a. m.]

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[Vesting Order 7944]

I. G. FARBENINDUSTRIE, A. G.

In re: Bank account owned by I. G. Farbenindustrie, A. G.

Under the authority of the Trading with the Enemy Act, as amended, Executive Order 9193, as amended, and Executive Order 9788, and pursuant to law, after investigation, it is hereby found:

1. That I. G. Farbenindustrie, A. G., the last known address of which is Unter den Linden 78, Berlin NW 7, Germany, is a corporation, organized under the laws of Germany, and which has or, since the effective date of Executive Order No. 8389, as amended, has had its principal place of business in Germany and is a national of a designated enemy country (Germany);

2. That the property described as follows:

That certain debt or other obligation owing to I. G. Farbenindustrie, A. G., by The National City Bank, of New York, 55 Wall Street, New York, New York, arising out of an attachment ledger account, entitled I. G. Farbenindustrie, A. G., Berlin, Germany, and any and all rights to demand, enforce and collect the same,

is property within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by, the aforesaid national of a designated enemy country (Germany);

and it is hereby determined:

3. That to the extent that the person named in subparagraph 1 hereof is not within a designated enemy country, the national interest of the United States requires that such person be treated as a national of a designated enemy country (Germany).

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

(40 Stat. 411; 55 Stat. 839; Pub. Law 322, 79th Cong.; 60 Stat. 50; Pub. Law 671, 79th Cong.; 60 Stat. 925; 50 U. S. C. 1, 616; E. O. 9193, July 6, 1942, 7 F. R. 5205; E. O. 9567, June 8, 1945, 10 F. R. 6917; E. O. 9788, Oct. 14, 1946, 11 F. R. 11981)

Executed at Washington, D. C., on January 3, 1947.

For the Attorney General.

[SEAL] DONALD C. COOK,
*Director.*

[F. R. Doc. 47-421; Filed, Jan. 15, 1947; 8:47 a. m.]

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[Vesting Order 7945]

I. G. FARBENINDUSTRIE, A. G.

In re: Bank account owned by I. G. Farbenindustrie, A. G.

Under the authority of the Trading with the Enemy Act, as amended, Executive Order 9193, as amended, and Executive Order 9788, and pursuant to law, after investigation, it is hereby found:

1. That I. G. Farbenindustrie, A. G., the last known address of which is Unter den Linden 78, Berlin NW 7, Germany, is a corporation, organized under the laws of Germany, and which has or, since the effective date of Executive Order No. 8389, as amended, has had its principal place of business in Germany and is a national of a designated enemy country (Germany);

2. That the property described as follows:

That certain debt or other obligation owing to I. G. Farbenindustrie, A. G., by The National City Bank of New York, 55 Wall Street, New York, New York, arising out of an attachment ledger account, entitled I. G. Farbenindustrie, Akt., Berlin, Germany, and any and all rights to demand, enforce and collect the same,

is property within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by, the aforesaid national of a designated enemy country (Germany);

and it is hereby determined:

3. That to the extent that the person named in subparagraph 1 hereof is not within a designated enemy country, the national interest of the United States requires that such person be treated as a national of a designated enemy country (Germany).

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in Section 10 of Executive Order 9193, as amended.

(40 Stat. 411; 55 Stat. 839; Pub. Law 322, 79th Cong.; 60 Stat. 50; Pub. Law 671, 79th Cong.; 60 Stat. 925; 50 U. S. C. 1, 616; E. O. 9193, July 6, 1942, 7 F. R. 5205; E. O. 9567, June 8, 1945, 10 F. R. 6917; E. O. 9788, Oct. 14, 1946, 11 F. R. 11981)

Executed at Washington, D. C., on January 3, 1947.

For the Attorney General.

[SEAL] DONALD C. COOK,
*Director.*

[F. R. Doc. 47-422; Filed, Jan. 15, 1947; 8:47 a. m.]

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[Vesting Order 7946]

I. G. FARBENINDUSTRIE, A. G.

In re: Bank account owned by I. G. Farbenindustrie, A. G.

Under the authority of the Trading with the Enemy Act, as amended, Executive Order 9193, as amended, and Executive Order 9788, and pursuant to law, after investigation, it is hereby found:

1. That I. G. Farbenindustrie, A. G., the last known address of which is Unter den Linden 78, Berlin NW 7, Germany, is a corporation, organized under the laws of Germany, and which has or, since the effective date of Executive Order No. 8389, as amended, has had its principal place of business in Germany and is a national of a designated enemy country (Germany);

2. That the property described as follows:

That certain debt or other obligation owing to I. G. Farbenindustrie, A. G., by The National City Bank of New York, 55 Wall Street, New York, New York, arising out of an attachment ledger account, entitled I. G. Farbenindustrie, Aktiengesellschaft, and any and all

rights to demand, enforce and collect the same,

is property within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by, the aforesaid national of a designated enemy country (Germany);

and it is hereby determined:

3. That to the extent that the person named in subparagraph 1 hereof is not within a designated enemy country, the national interest of the United States requires that such person be treated as a national of a designated enemy country (Germany).

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

(40 Stat. 411; 55 Stat. 839; Pub. Law 322, 79th Cong.; 60 Stat. 50; Pub. Law 671, 79th Cong.; 60 Stat. 925; 50 U. S. C. 1, 616; E. O. 9193, July 6, 1942, 7 F. R. 5205; E. O. 9567, June 8, 1945, 10 F. R. 6917; E. O. 9788, Oct. 14, 1946, 11 F. R. 11981)

Executed at Washington, D. C., on January 3, 1947.

For the Attorney General.

[SEAL] DONALD C. COOK, *Director.*

[F. R. Doc. 47-423; Filed, Jan. 15, 1947; 8:47 a. m.]

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[Vesting Order 7947]

I. G. FARBENINDUSTRIE, A. G.

In re: Bank account owned by I. G. Farbenindustrie, A. G.

Under the authority of the Trading with the Enemy Act, as amended, Executive Order 9193, as amended, and Executive Order 9788, and pursuant to law, after investigation, it is hereby found:

1. That I. G. Farbenindustrie, A. G., the last known address of which is Unter den Linden 78, Berlin NW7, Germany, is a corporation, organized under the laws of Germany, and which has or, since the effective date of Executive Order No. 8389, as amended, has had its principal place of business in Germany and is a national of a designated enemy country (Germany);

2. That the property described as follows:

That certain debt or other obligation owing to I. G. Farbenindustrie, A .G., by The National City Bank of New York, 55 Wall Street, New York, New York, arising out of an attachment ledger account, entitled I. G. Farbenindustrie, A. G., Berlin, Germany, and any and all rights to demand, enforce and collect the same,

is property within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by, the aforesaid national of a designated enemy country (Germany);

and it is hereby determined:

3. That to the extent that the person named in subparagraph 1 hereof is not within a designated enemy country, the national interest of the United States requires that such person be treated as a national of a designated enemy country (Germany).

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

(40 Stat. 411; 55 Stat. 839; Pub. Law 322, 79th Cong.; 60 Stat. 50; Pub. Law 671, 79th Cong.; 60 Stat. 925; 50 U. S. C. 1, 616; E. O. 9193, July 6, 1942, 7 F. R. 5205; E. O. 9567, June 8, 1945, 10 F. R. 6917; E. O. 9788, Oct. 14, 1946, 11 F. R. 11981)

Executed at Washington, D. C., on January 3, 1947.

For the Attorney General.

[SEAL] DONALD C. COOK, *Director.*

[F. R. Doc. 47-424; Filed, Jan. 15, 1947; 8:47 a. m.]

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[Vesting Order 7948]

SHOWA MENKA K. KAISHA

In re: Debt owing to Showa Menka K. Kaisha. F-39-1631-A-1.

Under the authority of the Trading with the Enemy Act, as amended, Executive Order 9193, as amended, and Executive Order 9788, and pursuant to law, after investigation, it is hereby found:

1. That Showa Menka K. Kaisha, the last known address of which is Osaka, Japan, is a corporation, partnership, association or other business organization, organized under the laws of Japan, and which has or, since the effective date of Executive Order No. 8389, as amended, has had its principal place of business in Japan and is a national of a designated enemy country (Japan);

2. That the property described as follows:

That certain debt or other obligation owing to Showa Menka K. Kaisha, by Anderson, Clayton & Co., P. O. Box 2538, Houston 1, Texas, in the amount of $1,069.00, as of December 31, 1945, together with any and all accruals thereto, and any and all rights to demand, enforce and collect the same,

is property within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by, the aforesaid national of a designated enemy country (Japan);

and it is hereby determined:

3. That to the extent that the person named in subparagraph 1 hereof is not within a designated enemy country, the national interest of the United States requires that such person be treated as a national of a designated enemy country (Japan).

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

(40 Stat. 411; 55 Stat. 839; Pub. Law 322, 79th Cong.; 60 Stat. 50; Pub. Law 671, 79th Cong.; 60 Stat. 925; 50 U. S. C. 1, 616; E. O. 9193, July 6, 1942, 7 F. R. 5205; E. O. 9567, June 8, 1945, 10 F. R. 6917; E. O. 9788, Oct. 14, 1946, 11 F. R. 11981)

Executed at Washington, D. C., on January 3, 1947.

For the Attorney General.

[SEAL] DONALD C. COOK, *Director.*

[F. R. Doc. 47-425; Filed, Jan. 15, 1947; 8:47 a. m.]

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[Vesting Order 7951]

YASUDA BANK, LTD.

In re: Bank accounts owned by Yasuda Bank, Ltd. F-39-754-E-3, F-39-754-E-4, F-39-754-E-5, F-39-754-E-7, F-39-754-E-9, and F-39-754-C-1.

Under the authority of the Trading with the Enemy Act, as amended, and Executive Order 9193, as amended, and Executive Order 9788, and pursuant to law, after investigation, it is hereby found:

1. That Yasuda Bank, Ltd. the last known address of which is 1 Chome, Otemachi, Kojomachi-ku, Tokyo, Japan, is a corporation organized under the laws of Japan, and which has or, since the effective date of Executive Order 8389, as amended, has had its principal place of business in Japan and is a national of a designated enemy country (Japan);

2. That the property described as follows:

a. That certain debt or other obligation owing to Yasuda Bank, Ltd., by The Philadelphia National Bank, 1416

Chestnut Street, Philadelphia, Pennsylvania, arising out of a checking account entitled The Yasuda Bank, Ltd., and any and all rights to demand, enforce and collect the same,

b. That certain debt or other obligation owing to Yasuda Bank, Ltd., by Bank of America, National Trust & Savings Association, 660 South Spring Street, Los Angeles, California, arising out of a commercial account entitled Yasuda Bank, Ltd., and any and all rights to demand, enforce and collect the same,

c. That certain debt or other obligation owing to Yasuda Bank, Ltd., by Seattle First National Bank, Second Avenue and Cherry Street, Seattle, Washington, arising out of a checking account entitled Yasuda Bank, Ltd., and any and all rights to demand, enforce and collect the same,

d. That certain debt or other obligation owing to Yasuda Bank, Ltd., by The Bank of California, National Association, 400 California Street, San Francisco, California, arising out of a checking account entitled The Yasuda Bank, Ltd., maintained at the branch office of the aforesaid bank located at 815 Second Avenue, Seattle Washington, and any and all rights to demand, enforce and collect the same, and

e. Those certain debts or other obligations evidenced by a check drawn by Den Nordenfjeldske Kreditbank, Trondheim, Norway, on Irving Trust Company, New York, New York, in the face amount of $936.31, dated April 6, 1940, presently held by Guaranty Trust Company of New York, 140 Broadway, New York, New York, for collection and credit to the account of the aforesaid Yasuda Bank, Ltd., Tokyo, Japan, together with all rights in, to and under, including particularly, but not limited to the rights to possession and presentation for collection and payment of, the aforesaid check, and any and all rights to demand, enforce and collect the aforesaid debts or other obligations.

is property within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by, the aforesaid national of a designated enemy country (Japan);

and it is hereby determined:

3. That to the extent that the person named in subparagraph 1 hereof is not within a designated enemy country, the national interest of the United States requires that such person be treated as a national of a designated enemy country (Japan).

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

(40 Stat. 411; 55 Stat. 839; Pub. Law 322, 79th Cong.; 60 Stat. 50; Pub. Law 671, 79th Cong.; 60 Stat. 925; 50 U. S. C. 1, 616; E. O. 9193, July 6, 1942, 7 F. R. 5205; E. O. 9567, June 8, 1945, 10 F. R. 6917; E. O. 9788, Oct. 14, 1946, 11 F. R. 11981)

Executed at Washington, D. C., on January 3, 1947.

For the Attorney General.

[SEAL] DONALD C. COOK,
*Director.*

[F. R. Doc. 47-426; Filed, Jan. 15, 1947; 8:48 a. m.]

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[Vesting Order 7953]

ADOLPH TWESTEN

In re: Estate of Adolph Twesten, also known as Adolph N. M. Twesten. File D-28-10441; E. T. sec. 14848.

Under the authority of the Trading with the Enemy Act, as amended, Executive Order 9193, as amended, and Executive Order 9788, and pursuant to law, after investigation, it is hereby found:

That the property described as follows:

All right, title, interest and claim of any kind or character whatsoever of Otto Twesten, in and to the Estate of Adolph Twesten, also known as Adolph N. M. Twesten, desceased,

is property payable or deliverable to, or claimed by, a national of a designated enemy country, Germany, namely,

*National and Last Known Address*

Otto Twesten, Germany.

That such property is in the process of administration by Jack M. McPherson, as Administrator, acting under the judicial supervision of the Superior Court of the State of California, in and for the County of Butte,

And determined that to the extent that such national is a person not within a designated enemy country, the national interest of the United States requires that such person be treated as a national of a designated enemy country, (Germany);

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

(40 Stat. 411; 55 Stat. 839; Pub. Law 322, 79th Cong.; 60 Stat. 50; Pub. Law 671, 79th Cong.; 60 Stat. 925; 50 U. S. C. 1, 616; E. O. 9193, July 6, 1942, 7 F. R. 5205; E. O. June 9567, June 8, 1945, 10 F. R. 6917; E. O. 9788, Oct. 14, 1946, 11 F. R. 11981)

Executed at Washington, D. C., on January 7, 1947.

For the Attorney General.

[SEAL] DONALD C. COOK,
*Director.*

[F. R. Doc. 47-416; Filed, Jan. 15, 1947; 8:47 a. m.]

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[Vesting Order 7952]

SOPHIE KLENKE

In re: Estate of Sophie Klenke, deceased. File D-28-10479; E. T. sec. 14899.

Under the authority of the Trading with the Enemy Act, as amended, Executive Order 9193, as amended, and Executive Order 9788, and pursuant to law, after investigation, it is hereby found:

1. That Trinchen Schwanewede, whose last known address is Germany, is a resident of Germany and a national of a designated enemy country (Germany);

2. That all right, title, interest and claim of any kind or character whatsoever of the person named in subparagraph 1 hereof in and to the estate of Sophie Klenke, deceased, is property payable or deliverable to, or claimed by, the aforesaid national of a designated enemy country (Germany);

3. That such property is in the process of administration by C. F. Klenke and August Hopke, as executors, acting under the judicial supervision of the Probate Court for Charleston County, South Carolina;

and it is hereby determined;

4. That to the extent that the person named in subparagraph 1 hereof is not within a designated enemy country, the national interest of the United States requires that such person be treated as a national of a designated enemy country (Germany).

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

(40 Stat. 411; 55 Stat. 839; Pub. Law 322, 79th Cong.; 60 Stat. 50; Pub. Law 671, 79th Cong.; 60 Stat. 925; 50 U. S. C. 1, 616; E. O. 9193, July 6, 1942, 7 F. R. 5205; E. O. 9567, June 8, 1945, 10 F. R. 6917; E. O. 9788, Oct. 14, 1946, 11 F. R. 11981)

Executed at Washington, D. C., on January 7, 1947.

For the Attorney General.

[SEAL] DONALD C. COOK,
*Director.*

[F. R. Doc. 47-415; Filed, Jan. 15, 1947; 8:46 a. m.]

## FEDERAL TRADE COMMISSION

[Docket No. 5360]

MATCH CORPORATION OF AMERICA

ORDER APPOINTING TRIAL EXAMINER AND FIXING TIME AND PLACE FOR TAKING TESTIMONY

At a regular session of the Federal Trade Commission, held at its office in the City of Washington, D. C., on the 10th day of January A. D. 1947.

This matter being at issue and ready for the taking of testimony and the receipt of evidence, and pursuant to authority vested in the Federal Trade Commission,

*It is ordered,* That Clyde M. Hadley, a trial examiner of this Commission, be and he hereby is designated and appointed to take testimony and receive evidence in this proceeding and to perform all other duties authorized by law;

*It is further ordered,* That the taking of testimony and the receipt of evidence begin on Tuesday, January 21, 1947, at eleven o'clock in the forenoon of that day (central standard time), in Room 1121, New Post Office Building, Chicago, Illinois.

Upon completion of the taking of testimony and the receipt of evidence in support of the allegations of the complaint, the Trial Examiner is directed to proceed immediately to take testimony and receive evidence on behalf of the respondent. The Trial Examiner on the completion of the taking of testimony and the receipt of evidence will then close the case and make and serve on the parties at issue a recommended decision which shall include recommended findings and conclusions, as well as the reasons or basis therefor, upon all the material issues of fact, law, or discretion presented on the record, and an appropriate recommended order; all of which shall become a part of the record in said proceeding.

By the Commission.

[SEAL] OTIS B. JOHNSON, *Secretary.*

[F. R. Doc. 47-414; Filed, Jan. 15, 1947; 8:46 a. m.]

## INTERSTATE COMMERCE COMMISSION

[S. O. 498, Amdt. 2]

REROUTING TRAFFIC ON SOUTHERN PACIFIC CO.

At a session of the Interstate Commerce Commission, Division 3, held at its office in Washington, D. C., on the 10th day of January A. D. 1947.

Upon further consideration of Service Order No. 498 (11 F. R. 5078), as amended (11 F. R. 9707), and good cause appearing therefor; *It is ordered,* That:

Service Order No. 498 be, and it is hereby, amended by substituting the following paragraph (f) for paragraph (f) thereof:

(f) *Expiration date.* This order shall expire at 11:59 p. m., June 30, 1947, unless otherwise modified, changed, suspended, or annulled by order of this Commission.

*It is further ordered,* That this amendment shall become effective at 6:00 p. m., January 10, 1947; that copies of this order and direction be served upon the Southern Pacific Company, and upon the Association of American Railroads, Car Service Division, as agent of the railroads subscribing to the car service and per diem agreement under the terms of that agreement; and that notice of this order be given to the general public by depositing a copy in the office of the Secretary of the Commission at Washington, D. C., and by filing it with the Director, Division of the Federal Register.

(40 Stat. 101, sec. 402, 41 Stat. 476, sec. 4, 54 Stat. 901; 49 U. S. C. 1 (10)-(17))

By the Commission, Division 3.

[SEAL] W. P. BARTEL, *Secretary.*

[F. R. Doc. 47-405; Filed, Jan. 15, 1947; 8:48 a. m.]

## OFFICE OF TEMPORARY CONTROLS

### Civilian Production Administration

[C-440]

A. J. ORSI

CONSENT ORDER

A. J. Orsi of 40 East Mariposa Street, Stockton, California, was charged with having begun construction on a structure at 1700 Pacific Avenue, Stockton, California, consisting of the erection of a new building at an estimated cost of $75,000, without authorization from the Civilian Production Administration, and has expended in carrying on the construction the sum of $9,980.17, in violation of Veterans' Housing Program Order No. 1.

A. J. Orsi admits the violation as charged, does not desire to contest the same, and has consented to the issuance of this order.

Wherefore, upon the agreement and consent of A. J. Orsi, the Regional Compliance Director, and the Regional Attorney, and upon the approval of the Compliance Commissioner, *It is hereby ordered,* That:

(a) Neither A. J. Orsi, his successors or assigns, nor any other person under his direction shall do any further construction on the structure at 1700 Pacific Avenue, Stockton, California, including the putting up, completing or altering the structure, unless hereafter specifically authorized by the Civilian Production Administration.

(b) A. J. Orsi shall refer to this order in any application or appeal, which he may file with the Civilian Production Administration to carry on construction.

(c) Nothing contained in this order shall be deemed to prevent the processing on its merits of any application for authorization which may be filed by A. J. Orsi with the Construction Division of the Civilian Production Administration.

(d) Nothing contained in this order shall be deemed to relieve A. J. Orsi, his successors or assigns, from any restriction, prohibition or provision contained in any other order or regulation of the Civilian Production Administration, except insofar as the same may be inconsistent with the provisions hereof.

This order shall take effect on January 15, 1947, and shall continue during the existence of the present controls on commercial building or unless sooner authorized by the Civilian Production Administration.

Issued this 15th day of January 1947.

CIVILIAN PRODUCTION ADMINISTRATION,
By J. JOSEPH WHELAN,
*Recording Secretary.*

[F. R. Doc. 47-499; Filed, Jan. 15, 1947; 11:19 a. m.]

## SECURITIES AND EXCHANGE COMMISSION

[File Nos. 59-10, 54-82, 59-39, 54-50, 54-147]

NORTH AMERICAN CO. ET AL.

NOTICE OF FILING OF AMENDED PLANS, WITHDRAWAL OF PLAN, AND ORDER RECONVENING HEARING

At a regular session of the Securities and Exchange Commission, held at its office in the City of Philadelphia, Pa., on the 10th day of January 1947.

In the matter of The North American Company and its subsidiary companies, File No. 59-10; The North American Company, File No. 54-82; North American Light & Power Company Holding-Company System and The North American Company, File No. 59-39; North American Light & Power Company, File No. 54-50; Illinois Power Company, File No. 54-147.

Notice is hereby given that The North American Company ("North American"), a registered holding company, has filed pursuant to section 11 (e) of the Public Utility Holding Company Act of 1935 (the act) certain "Amended Plans", dated January 6, 1947, designated as Plans I, II and III, and an application requesting the Commission to find Plan I, as submitted or as modified with the consent of North American, necessary to effectuate the provisions of section 11 (b) of the act and fair and equitable to the persons affected, and to enter an order approving Plan I and authorizing the transactions described therein. It is stated in the application that Plans I, II and III are filed as amendments to and in substitution for Plans A, B and C, dated April 18, 1946, heretofore filed pursuant to section 11 (e) and presently pending before the Commission.

All interested persons are referred to said Amended Plans which are on file at the office of this Commission for a statement of the transactions therein proposed which may be summarized as follows:

PLAN I

After effecting a settlement between North American Light & Power Company (Light & Power), a registered holding company, and its subsidiary, Illinois Power Company (Illinois Power), a registered holding company, and North American of all claims and counterclaims

affecting Illinois Power on the basis hereinafter summarized, it is proposed that Light & Power be dissolved, the claims between Light & Power and North American be settled and the affairs of Light & Power be wound up.

*Settlement of claims and counterclaims affecting Illinois Power.* It is stated that Illinois Power, Light & Power and North American have agreed, subject to requisite approvals, to the settlement of all claims and counter claims affecting Illinois Power on the following basis (All interested persons are referred to Holding Company Act Releases Nos. 3940, 4378 and 6144, among others, for a summarization of the various claims and counterclaims):

1. There will be rescinded the transaction in 1932 whereby Illinois Power acquired from Light & Power certain securities of Central Terminal Company. Illinois Power will return to Light & Power all securities of Central Terminal Company now held and Light & Power will pay $6,800,000 in cash to Illinois Power.

2. Light & Power will exercise one-half of the 300,000 warrants which it holds entitling it to purchase Illinois Power common stock at $30 per share and purchase 150,000 shares of Illinois Power common stock for $4,500,000, and will surrender to Illinois Power for cancellation, unexercised, its remaining holdings of 150,000 warrants.

3. The power contract between Union Electric Power Company, an indirect subsidiary of North American, and Illinois Power will be revised in accordance with an agreement between these two Companies.

4. Plan C of North American will be amended to eliminate the provisions for integration of Illinois Power with Union Electric Company of Missouri, a subsidiary of North American, and the provisions for acquisition by North American of the publicly-held stock of Illinois Power. Light & Power and North American will divest themselves of all holdings of securities of Illinois Power.

5. The transactions outlined in paragraphs 1, 2 and 3 above are to be consummated on or before February 28, 1947 unless further extended by mutual consent.

6. Until completion of the transactions outlined in paragraphs 1 to 4 above, the agreement of settlement will not be ground for change or modification of the outstanding order of the Commission restraining Light & Power and North American from voting Illinois Power stock held by them for the election of directors of Illinois Power.

*Settlement of claims between Light & Power and North American.* It is stated that Light & Power and North American have agreed to the settlement of all claims between them, subject to requisite approvals, on the basis of the provisions of Plan I outlined below. (All interested persons are referred to Holding Company Act Releases Nos. 5687, 5791 and 6144 among others, for a summarization of such claims.)

*Steps proposed to be taken under Plan I.* To carry out the Plan, the following steps are proposed:

1. That Illinois Power return to Light & Power all securities of Central Terminal Company now held by Illinois Power.

2. That Light & Power pay Illinois Power $6,800,000 in cash.

3. That Light & Power acquire from Illinois Power, on original issue, 150,000 additional shares of Illinois Power common stock upon payment of $4,500,000 cash at the warrant price of $30 per share in exercise of one-half of the warrants for the purchase of Illinois Power common stock held by Light & Power; and that Light & Power surrender to Illinois Power for concellation, unexercised, the remaining warrants covering 150,000 shares of Illinois Power Company stock.

4. That Light & Power be dissolved.

5. That the outstanding publicly-held 109,255 shares of preferred stock of Light & Power be liquidated and retired by payment in cash of the liquidation price therefor provided in the charter of Light & Power in the case of dissolution, viz., $100 per share, together with all unpaid cumulative dividends in arrears (amounting to $87 as of December 31, 1946) thereon accrued to the date fixed for payment thereof.

6. That the outstanding publicly-held 960,992 shares of common stock of Light & Power be liquidated and retired by payment in cash of $7.50 per share.

7. That North American advance to Light & Power funds needed by Light & Power after application of its treasury cash to make the payments to Illinois Power and to liquidate and retire its publicly-held preferred and common stocks as above provided.

8. That after providing for the payments to Illinois Power and the public holders of Light & Power securities and the liabilities of Light & Power other than to North American, the remaining net assets of Light & Power be distributed to North American as the sole remaining creditor and stockholder of Light & Power and the obligation of Light & Power to North American for funds advanced for purposes of the Plan be discharged and all securities of Light & Power held by North American be surrendered for retirement.

*Mode of consummation.* At such time as the Commission may approve the Plan, North American will request the Commission, pursuant to section 11 (e) of the act, to apply to a Federal court, in accordance with the provisions of section 18 (f) of the act, to enforce and carry out the terms and provisions of the Plan. The consummation of the Plan is made subject to certain conditions and reservations including such rulings and closing agreements as to taxes as North American may require.

PLAN II

North American states that the purpose of Plan II is to obtain the funds needed to pay off its outstanding bank loans ($45,125,000 as of December 31, 1946) and needed to advance to Light & Power to enable it to complete its liquidation as outline in Plan I.

To accomplish such purpose it is proposed that North American divest itself from time to time of securities held by it which will be sold through pro-rata offerings to its stockholders, through public offerings or through negotiated sales to private purchasers, or that temporary bank loans may be made.

Concurrently with the filing of its Amended Plans, North American filed an application-declaration with the Commission relating to the proposed issuance to its stockholders of transferable Purchase Warrants to purchase Common Stock of The Cleveland Electric Illuminating Company presently held by North American. This application-declaration has been more fully summarized in a separate notice and order for hearing dated January 10, 1947, Holding Company Act Release No. 7123, setting the matter for hearing on January 23, 1947.

PLAN III

North American states that the purpose of Plan III is to effect the divestment by North American of its public-utility holding company system. The plan contemplates that North American with the approval of the Commission and of its stockholders will continue with reduced assets as a corporate enterprise not engaged in the public utility field.

To accomplish such purpose it is proposed that within one year North American will divest itself of its investments in all its public-utility subsidiaries including Union Electric Company of Missouri and in any other public-utility companies or holding companies now held or which it may receive through dissolution of Light & Power.

It is stated that the Company reserves the right to sell any or all of its holdings through pro-rata offerings to stockholders, public offerings or negotiated sales, and it is expected that part of the securities held by North American will be distributed to the stockholders of North American without payment by them. It is further stated that at an appropriate time a plan will be prepared by North American for its continuance with reduced assets as a corporate enterprise not engaged in the public utility field and that such plan will contain provision for the withdrawal of any dissenting stockholder upon the surrender of his stock and for the payment to him of his pro-rata share in the remaining net assets.

Notice is further given that Light & Power has filed an application requesting that the Commission permit Light & Power to substitute Plan I of North American for the following matters filed by Light & Power and presently pending before the Commission:

1. An application to exercise 300,000 warrants for the purchase of 300,000 shares of Common Stock of Illinois Power (File No. 70-1333).

2. An application for the approval of an amendment to its section 11 (e) plan (designated as First Amendment to Application No. 11) providing for the retirement of all its preferred stock by distributing to each share of said preferred stock 3 shares of Common Stock of The Kansas Power and Light Company and 1½ shares of Common Stock of Northern Natural Gas Company (File No. 54-50).

3. An application for the approval of an amendment to its section 11 (e) plan

(designated as Second Amendment to Application No. 11) providing for the distribution of its assets to its common stockholders after the retirement of its preferred stocks and the payment of its outstanding debentures, with accrued interest thereon (File No. 54–50).

Light & Power requests that the substitution of Plan I for the foregoing filings be to the extent that such filings are in conflict with said Plan I.

Notice is further given that Illinois Power has filed an application requesting that the Commission:

1. Approve the settlement of all claims and counterclaims affecting Illinois Power upon the basis hereinbefore set forth (see paragraph captioned "Settlement of Claims and Counterclaims Affecting Illinois Power").

2. Approve Plan I of North American in so far as such plan relates to the said settlement.

3. Authorize Illinois Power to take all action necessary or proper to consummate the said settlement.

4. Upon the approval of the said settlement, to apply to a Federal court in accordance with the provisions of section 18 (f) of the act to enforce and carry out the terms and provisions of Plan I in so far as said plan relates to the said settlement.

5. Defer action with respect to plan for liquidation of Light & Power, filed November 20, 1944, by Illinois Power, and the plan of recapitalization filed July 2, 1946, by Illinois Power pursuant to section 11 (e) of the act, pending disposition of the foregoing matters, and to dismiss the two plans herein referred to at such time as the said settlement becomes effective.

The hearings in these consolidated proceedings with respect to plans for the liquidation and dissolution of Light & Power being presently in adjournment and scheduled to reconvene on January 21, 1947; and

It appearing to the Commission that Plan I may appropriately be heard at the aforementioned hearing but that the date heretofore fixed for reconvening should be postponed to afford a sufficient opportunity to all interested persons who may wish to participate;

*It is ordered,* That the date for reconvening the hearing in these consolidated proceedings on all plans relating to the liquidation and retirement of North American Light & Power Company which have been filed with the Commission, heretofore set for January 21, 1947, be and it hereby is postponed to January 28, 1947 at 10:00 a. m., e. s. t., in the office of the Securities and Exchange Commission, 18th and Locust Streets, Philadelphia 3, Pennsylvania, and that the aforementioned application for approved of Plan I filed by The North American Company shall be heard at such reconvened hearing. On such day the hearing room clerk in Room 318 will advise as to the room in which such hearing will be held.

*It is further ordered,* That Robert P. Reeder, or any other officer or officers of the Commission designated by it for that purpose shall preside at the hearing in such matter. The officer so designated to preside at such hearing is hereby authorized to exercise all powers granted to the Commission under section 18 (c) of said act, and to a trial examiner under the Commission's rules of practice.

*It is further ordered,* That without limiting the scope of the issues presented, particular attention will be directed at such reconvened hearing to the following matters and questions:

1. Whether Plan I as filed, or as it may be modified, is necessary to effectuate the provisions of section 11 (b) of the act, is fair and equitable to the persons affected thereby, and, more specifically, whether the proposed settlements of the various claims and counterclaims heretofore referred to affecting Illinois Power Company, and the claims heretofore referred to between North American Light & Power Company and The North American Company, are fair and reasonable, and the transactions proposed with respect thereto meet the requirements of applicable provisions of the act and rules thereunder.

2. Whether, and, if so, in what manner, Plan I should be required to be modified to insure adequate protection of the public interest and the interest of investors and consumers and compliance with all applicable provisions of the act and rules thereunder.

3. Whether Plan I makes appropriate provision for North American Light & Power Company's contingent liability with respect to its guarantee of principal and interest on $1,233,000 principal amount of St. Clair County Gas and Electric Company 5% First Consolidated Mortgage Gold Bonds, non-callable, due 1959, being underlying bonds of Illinois Power Company.

4. What accounting treatment is proposed to be given with respect to the transactions proposed in Plan I, and whether such accounting treatment is proper and in conformity with sound accounting principles.

5. Whether the proposed acquisition by The North American Company of the assets of North American Light & Power Company in liquidation meets the requirements of applicable provisions of the act and rules thereunder.

6. Whether Plan I as filed, or as it may be modified, makes appropriate provision for the amounts, allocation and payment of fees, expenses or other remuneration in connection with Plan I and the proceedings involving North American Light & Power Company generally, and whether such fees, expenses or other remuneration are for necessary services.

7. Whether, generally, Plan I is in all respects in the public interest and the interest of investors and consumers and consistent with applicable provisions of the act and rules thereunder and, if not, what modification should be required to be made therein, and what terms and conditions should be imposed to satisfy the statutory standards.

*It is further ordered,* That any interested person desiring to be heard or otherwise wishing to participate at said hearing shall file with the Secretary of the Commission on or before January 27, 1947 his request or application therefor as provided by Rule XVII of the Commission's rules of practice.

*It is further ordered,* That the Secretary of the Commission shall serve notice of the aforesaid hearing by mailing a copy of this order by registered mail to The North American Company, North American Light & Power Company, Illinois Power Company, the Illinois Commerce Commission, the City of St. Louis, Missouri, City National Bank & Trust Company, Chicago, Illinois, and to all other participants in these consolidated proceedings, and that notice shall be given to all other persons by general release of this Commission distributed to the press and mailed to the mailing list for releases issued under the Public Utility Holding Company Act of 1935, and that further notice be given to all persons by publication of this notice and order in the FEDERAL REGISTER.

*It is further ordered,* That the North American Company, North American Light & Power Company and Illinois Power Company give notice of this hearing to all of their stockholders (in so far as the identity of such stockholders is known or is available), by mailing to each such stockholder, at his last known address, a copy of this notice and order at least ten days prior to the date of hearing set herein.

By the Commission.

[SEAL] ORVAL L. DUBOIS,
*Secretary.*

[F. R. Doc. 47–355; Filed, Jan. 15, 1947; 8:56 a. m.]

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[File No. 70–1432]

NORTH AMERICAN CO.

NOTICE OF FILING AND ORDER FOR HEARING

At a regular session of the Securities and Exchange Commission held at its office in the City of Philadelphia, Pa., on the 10th day of January 1947.

Notice is hereby given that The North American Company (North American), a registered holding company, has filed an application and a declaration pursuant to the Public Utility Holding Company Act of 1935, regarding the issuance to its stockholders of transferable Purchase Warrants, entitling such stockholders to purchase shares of Common Stock of The Cleveland Electric Illuminating Company (Cleveland), a public utility subsidiary of North American. Applicant-declarant designates sections 6 (a), 7, 12 (c) and 12 (d) of the act and Rules U–23, U–42, U–43, U–44 and U–50 of the general rules and regulations promulgated thereunder as being applicable to the proposed transactions.

North American owns 1,847,908 shares of the Common Stock of Cleveland, representing 71.64% of that company's issued and outstanding voting stock. North American represents that as a result of the proposed transactions its ownership of voting securities of Cleveland would be reduced to 5.17%.

All interested persons are referred to the application-declaration which is on file in the office of this Commission for a statement of the provisions therein

proposed which may be summarized as follows:

North American proposes to issue to its stockholders, in March 1947, transferable Purchase Warrants, in registered form, entitling such stockholders to purchase an aggregate of 1,714,525 shares of Common Stock of Cleveland at the rate of one-fifth of a share of Cleveland Common Stock for each share of Common Stock of North American at the price of $15.00 per share for the Cleveland Common Stock. No fractional scrip will be issued for uncombined fractional Purchase Warrants. The right to purchase the Cleveland Common Stock will expire 60 days after date of issuance of the Purchase Warrants. The Commission is requested to exempt the proposed issuance of Purchase Warrants from the competitive bidding requirements of Rule U–50.

North American states that it does not anticipate that there will be any record date set for determining holders of Common Stock of Cleveland entitled to receive any dividend or distribution on such stock during the period within which the Purchase Warrants may be exercised, but states that in the event such a date should be set the holders of Purchase Warrants who have exercised their Warrants and have become stockholders of Cleveland at such time will be entitled to such dividend or distribution, and that North American will retain any dividend or distribution payable on all shares represented by unexercised Purchase Warrants.

North American proposes to provide for the sale of shares of the Cleveland Common Stock represented by the unexercised Purchase Warrants and for the payment of the proceeds from such sale to the record holders of such Purchase Warrants, less the subscription price of $15.00 per share. Details with respect to such sale will be furnished by amendment at a later date.

North American proposes to apply the net proceeds (estimated at $25,717,875, less expenses) to be derived from the proposed transactions, together with other treasury funds, toward the payment, without premium, of the company's outstanding Bank Loan Notes in the principal amount of $45,125,000 and toward other purposes as set forth in its Amended Plans (File No. 54–82), filed pursuant to section 11 (e) of the act contemporaneously with said application-declaration. The proposed payment on its Bank Loan Notes is regarded by North American as being exempt from the requirements of Rule U-42 (a) by virtue of Rule U-42 (b) (2).

Applicant-declarant represents that the proposed transactions are steps in compliance with the aforesaid Amended Plans and will be in compliance with the Commission's order of April 14, 1942, directing, among other things, that North American divest itself of its interest in Cleveland. North American requests that any order of the Commission approving the sale of the Cleveland Common Stock by North American conform to the requirements of Supplement R of Chapter 1 and section 1808 (f) of Chapter 11 of the Internal Revenue Code, as amended. Upon consummation of the proposed transactions North American proposes to charge to Capital Surplus the excess ($9,926,485) of the carrying value of the shares of Cleveland Common Stock to be sold over the amount of the proceeds of such sale, together with the expenses incurred in connection therewith, and to transfer to Capital Surplus from Reserve for Contingencies an amount equal to the aggregate of such charges. In this connection, North American has given notice to the Commission of the making of said charge as provided for by the order of the Commission dated January 30, 1939, directing, among other things, that no charge shall be made upon the books of North American against "Reserve for Contingencies provided from Capital Surplus" unless in accordance with the Commission's Classification of Accounts for Public Utility Holding Companies and good accounting practice, and after thirty days' notice to the Commission.

It appearing to the Commission that it is appropriate in the public interest and in the interests of investors and consumers that a hearing be held with respect to said application-declaration, and that said application should not be granted nor said declaration permitted to become effective except pursuant to further order of this Commission;

*It is hereby ordered*, That a hearing on said application-declaration under the applicable provisions of the Act and the Rules and Regulations of the Commission promulgated thereunder be held on the 23rd day of January, 1947, at 10:00 a. m., e. s. t., at the office of the Securities and Exchange Commission, 18th and Locust Streets, Philadelphia 3, Pennsylvania. On that day the hearing room clerk will advise as to the room where the hearing will be held. At such hearing cause shall be shown why said application should be granted and said declaration be permitted to become effective.

The Public Utilities Division having advised the Commission that it has made a preliminary examination of said application-declaration, and that, on the basis thereof, the following matters and questions are presented for consideration by the Commission without prejudice, however, to the presentation of additional matters and questions upon further examination:

(1) Whether the proposed issuance of the Purchase Warrants by North American to its stockholders meets the standards of section 7 of the act.

(2) Whether the proposed sale by North American of shares of Common Stock of Cleveland to the stockholders of North American meets the requirements of section 12 (d) of the act.

(3) Whether the proposed 60-day period for exercise of the Purchase Warrants is detrimental to the interests of North American stockholders or is otherwise inappropriate under applicable provisions of the act or rules thereunder.

(4) Whether the proposed retention by North American of any dividends received on the Common Stock of Cleveland subject to sale upon the exercise of the outstanding Purchase Warrants is detrimental to the holders of the Purchase Warrants or is otherwise inappropriate under applicable provisions of the act or rules thereunder.

(5) Whether the price at which North American proposes to sell its holdings of Common Stock of Cleveland is appropriate; and specifically whether such aggregate price should be required to be increased to such extent as may be necessary to provide for the complete retirement of all of North American's outstanding Bank Loan Notes.

(6) Whether the request of North American that the proposed sale of securities be exempt from the provisions of Rule U-50 should be granted.

(7) Whether the accounting treatment proposed to be made by North American upon its books to reflect the proposed transactions is proper and in conformity with the Commission's Classification of Accounts for Public Utility Holding Companies and good accounting practice and in accordance with the aforesaid order of the Commission dated January 30, 1939.

(8) Whether the proposed sale of the Common Stock of Cleveland is an appropriate step in compliance by North American with the Commission's order of April 14, 1942 pursuant to section 11 (b) (1) of the act.

(9) What terms and conditions, if any, with respect to the proposed transactions should be prescribed in the public interest or for the protection of investors or consumers.

*It is further ordered*, That particular attention be directed at said hearing to the foregoing matters and questions.

*It is further ordered*, That any person desiring to be heard in these proceedings shall file with the Secretary of the Commission on or before January 22, 1947, his request or application therefor as provided by Rule XVII of the Commission's rules of practice.

*It is further ordered*, That Robert P. Reeder, or any other officer or officers of the Commission designated by it for that purpose, shall preside at the hearing so ordered. The officer so designated to preside at the hearing is hereby authorized to exercise all powers granted to the Commission under section 18 (c) of said act and to a hearing officer under the Commission's rules and practice.

*It is further ordered*, That the Secretary of the Commission shall serve notice of the aforesaid hearing by mailing a copy of this order by registered mail to The North American Company and that notice of said hearing shall be given to all other persons by general release of this Commission which shall be distributed to the press and mailed to the mailing list for releases issued under the Public Utility Holding Company Act of 1935, and that further notice be given to all persons by publication of this notice and order in the FEDERAL REGISTER.

By the Commission.

[SEAL] ORVAL L. DUBOIS,
*Secretary.*

[F. R. Doc. 47-356; Filed, Jan. 15, 1947; 8:56 a. m.]

[File Nos. 7-955 to 7-961; 7-963 to 7-969]

ALLEGHANY CORP. ET AL.

NOTICE AND ORDER OF HEARING ON APPLICATIONS FOR UNLISTED TRADING PRIVILEGES

At a regular session of the Securities and Exchange Commission, held at its office in the City of Philadelphia, Pa., on the 10th day of January A. D. 1947.

In the matter of applications by the Detroit Stock Exchange for unlisted trading privileges in fourteen (14) securities; File Nos. 7-955 to 7-961, inclusive; 7-963 to 7-969, inclusive.

The Detroit Stock Exchange, pursuant to section 12 (f) (2) of the Securities Exchange Act of 1934 and Rule X-12F-1 thereunder, has made application for unlisted trading privileges in the following securities, which are listed and registered on other national securities exchanges as indicated below:

Alleghany Corporation, Common Stock, $1.00 Par Value. Listed: New York Stock Exchange.

American Airlines, Incorporated, Common Stock $1.00 Par Value. Listed: New York Stock Exchange.

Baldwin Locomotive Works, Common Stock, $13.00 Par Value. Listed: New York Stock Exchange, Philadelphia Stock Exchange.

The Baltimore and Ohio Railroad Company, Common Stock, $100.00 Par Value. Listed: New York Stock Exchange.

Canadian Pacific Railway Company, Common Stock, $25.00 Par Value. Listed: New York Stock Exchange.

The Chesapeake & Ohio Railway Company, Common Stock, $25.00 Par Value. Listed: New York Stock Exchange.

Columbia Gas & Electric Corporation, Common Stock, No Par Value. Listed: New York Stock Exchange, Pittsburgh Stock Exchange.

National Biscuit Company, Common Stock, $10.00 Par Value. Listed: New York Stock Exchange.

Niagara Hudson Power Corporation, Common Stock, $1.00 Par Value. Listed: New York Curb Exchange.

Pan American Airways Corporation, Common Stock, $2.50 Par Value. Listed: New York Stock Exchange.

Sterling Drug, Inc., Common Stock, $5.00 Par Value. Listed: New York Stock Exchange.

Sunray Oil Corporation, Common Stock, $1.00 Par Value. Listed: Los Angeles Stock Exchange, New York Stock Exchange.

The United Corporation, Common Stock, $1.00 Par Value. Listed: New York Stock Exchange, Philadelphia Stock Exchange.

Warner Bros. Pictures, Inc., Common Stock, $5.00 Par Value. Listed: New York Stock Exchange.

Rule X-12F-1 provides that the applicant shall furnish a copy of the application to each respective issuer and to every other national securities exchange on which each of the above respective securities are listed or admitted to unlisted trading privileges. The applications are available for public inspection at the Commission's principal office in Philadelphia, Pennsylvania.

The Commission deems it necessary that a hearing be held in this matter to determine whether there exist in the vicinity of the applicant exchange sufficiently widespread public distribution of each of these securities and sufficient public trading activity in each of these securities to render the extension of unlisted trading privileges on the applicant exchange necessary or appropriate in the public interest or for the protection of investors; and to determine whether the extension of unlisted trading privileges to each of these securities otherwise is necessary or appropriate in the public interest or for the protection of investors.

*Therefore it is ordered*, That a public hearing be held before Frank D. Emerson as hearing officer at 10:00 a. m. on Monday, January 27, 1947, at the office of the Securities and Exchange Commission, 1370 Ontario Street, Cleveland, Ohio.

By the Commission.

[SEAL] ORVAL L. DUBOIS,
*Secretary.*

[F. R. Doc. 47-357; Filed, Jan. 15, 1947; 8:56 a. m.]